Meeting Date: 7/24/01 **AGENDA REPORT** Agenda Item # 5A

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City of Santa Clara, California

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DATE: July 20, 2001

TO: City Manager/Executive Director for Council/Redevelopment Agency Information

FROM: Assistant City Manager

SUBJECT: **Baseball Stadium Study Session with the Oakland A's Ownership**

PREFACE

While this Agenda Report was being completed, staff was notified by the Santa Clara Stadium Association ("Association") that the Association will present some new material to Council at the July 24 meeting. The Association representative indicated that they will present options to guarantee that the requested $82 million stadium construction loan from the City will in no way become an obligation of the City's General Fund; the Association has modified its request to take an equity position in the stadium; and the Association will be asking Council for a Letter of Intent to adopt a Memorandum of Understanding. Staff has only received a brief verbal outline on the above issues, therefore, cannot comment on them in this report.

OVERVIEW

In May, 1998, the Association, a local boosters group comprised of area residents, approached the Council for authorization to prepare financial analyses at no cost to the City, for Council evaluation of a proposal to build and operate a 45,000 seat ballpark for the Oakland A's in Santa Clara. Council approved the request from the Association.

In January 2001, staff brought forward a request for Council approval of a multi-story parking garage to be built in a portion of the Great America parking lot. This parking garage had been a long-term planned project in the North Bayshore Redevelopment Plan. The garage was to be sited in the area the Association desired to locate the ballpark. Council directed the City Manager to proceed to develop the Request for Proposals to design the parking structure on the Great America parking lot with a pedestrian bridge to the Convention Center. In addition, the Council directed the City Manager to contact the owners of the Oakland A's to determine their intent of having a stadium at this site. In February, staff sent a letter to the A's owners requesting a meeting (Exhibit A, p. 1-3).

In March, 2001, Steve Schott, owner of the Oakland A's, addressed the Council, requesting a delay of the garage project to allow Major League Baseball time to consider the A's relocation to Santa Clara. Council directed the City Manager to schedule within four to six weeks a Council/Agency Study Session with the A's ownership to gain an understanding of the basic proposal from the Association. Due to a number of challenges involved in scheduling the parties; the City Council, the Stadium Association and the A's; the Study Session, was unable to be scheduled prior to July 24, 2001.

City/Stadium Association Meeting Format

The City Manager designated the Assistant City Manager as the City's primary contact point for the proposal review. Gary Hansen represents the Association. Mike Crowley represented the A's ownership. Mr. Crowley attended two of the meeting sessions. A number of meetings have been held the past few months in an effort to understand and evaluate the Association's proposal. Depending on a particular meeting agenda or topic, various members of the Association or Oakland A's management have been in attendance. The City has been represented at meetings by staff and consultants as necessary (RDA Counsel, Bond Counsel, Financial Advisor).

Stadium Association Proposal Documents

In April, the Association presented a number of documents to staff for review. Staff explained to the Association the public nature of the documents. The Association chose to redact a small amount of proprietary information from their submittal. The information withdrawn was comprised of some recent Oakland A's revenue and expense data and the name of a company that might possibly be interested in bidding on stadium naming rights.

The documents submitted by the Stadium Association include the following:

- Funding and Financial Assessment (Exhibit B, p. 4-56)
- Economic Analysis-Estimated Statement of Operations (Exhibit C, p. 57-58)
- Santa Clara Stadium-Project and Financial Information (Exhibit D, 59-62)
- Memorandum of Understanding Between City RDA and Stadium Association (Exhibit E, p. 63-88).

It is important to note that the meetings held to date between City staff and the Association have been for the purpose of reviewing, evaluating and questioning the above listed materials. This is in keeping with the March 20, 2001 Council direction to the City Manager whereby the Council wants to "gain an understanding of the basic proposal from the Association." These meetings have not been negotiating sessions. Staff has not received authority from the Council to negotiate with the Oakland A's or the Association. These meetings have been efforts to understand the financing proposal and the basic assumptions contained in the materials submitted by the Association.

Giants Stadium Effort

The Oakland A's are not the first Major League Baseball team seeking a ballpark in Santa Clara. In 1989, the City was approached by the San Francisco Giants seeking to locate a stadium on a bare land site at Highway 237 and Great America Parkway. This site is now under ground lease to The Irvine Company for use as an office park. The Giants proposal included a ground lease return to the City starting at $4.3 million per year. Public funds were requested to pay for the construction of the baseball and parking facilities and related improvements.

The funding mechanism selected was a utility users tax of not more than 1% to be applied to the cities of Santa Clara, San Jose, Sunnyvale, and Milpitas. These cities formed a Joint Powers Authority (JPA) to construct, own and manage the stadium. The use of City land and the financing for a stadium was put on the Santa Clara ballot in November, 1990, as an advisory measure (Measure N). The Measure passed 51% for, 49% against. The advisory measure included the

statement that there would be a 1% utility users tax implemented across the JPA member jurisdictions to fund the project.

In addition, each of the participating JPA cities voted on a utility user tax measure (Measure G) on their respective ballots. The utility user tax measure failed in all the JPA cities, including Santa Clara. Therefore, even though the use of the specific property designated for the stadium passed, the funding source to construct the stadium was defeated. A synopsis of the 1990 stadium election, prepared by the City Clerk, is attached (Exhibit F, p. 89-90).

Santa Clara Baseball Stadium Concept

The Stadium Association is proposing the construction of a $262 million ballpark in an area of the Great America Theme Park parking lot near the southeast corner of Great America Parkway and Tasman Drive. A concept drawing is attached (Exhibit G, p. 91). The stadium footprint would encompass approximately 13 acres and contain 4,500 parking spaces in a multi-story garage. There would be additional surface parking spaces near the stadium and reliance on nearby business parks and public transit to serve game attendees. The area required for the stadium and related parking is used to satisfy the parking requirement contained in a long-term ground lease between the City and Paramount's Great America Theme Park.

The financing of the proposed stadium is outlined in Exhibit D (p. 59-62). Private funding of $125 million is proposed from a combination of naming rights, seat license purchases and concessions. $149.5 million in public funding is being requested from the City: $55 million in Redevelopment Agency funds to be used for a parking garage, a people mover and off-site improvements; a $12.5 million loan from the City's electric, water and sewer utilities; and an $82 million loan from the City to be repaid through an annual "rent" payment to the City. The $82 million loan contains funding for a $12.5 million interest carry charge projected to cover the stadium construction period, therefore the total of the requested public and private financing totals $274.5 million.

The Association proposal targets an opening day of 2005. Some of the major concept "deal points" included in the Association proposal are:

- No General Fund monies from the City of Santa Clara.
- No Election in Santa Clara pertaining to the approval of a stadium.
- City to defer revenues for two years to establish capital fund.
- Ownership and operation by the Association.

Public Financing of Stadium

Over the past ten years over a dozen baseball stadiums have been built throughout the U.S. They have been predominantly financed with public funds (refer to Exhibit H, p. 92). The sole exception to this rule was the private financing of Pac Bell Park.

Public ballpark financing is typically spread over a wide, regional area: across a state; through a multi-county area; or some combination of state, county and local governments (refer to Exhibit I, p. 93). The source of public stadium funding typically comes from lottery monies, luxury taxes, sin taxes, redevelopment agencies, etc.

Unique to the Santa Clara proposal is that the City is being asked to provide over 50% of the estimated stadium funds with no contribution from nearby cities or the County. The City of Santa Clara is being asked to provide a regional sports venue with no financial participation from any other public agencies.

Public Ownership of Stadiums

Commensurate with the public financing of stadiums is the public ownership and operation of those stadiums. Typically, multi-jurisdictional government agencies will form Stadium Districts or Authorities (refer to Exhibit J, p. 94). These boards typically accept fiduciary responsibility to construct, own, maintain and operate the stadium.

FINANCING

The Association's financing proposal seeks to construct a 45,000-seat ballpark for $262 million in total project cost. Included in this number is $180 million for the stadium, $20 million for a parking structure, and $20 million for offsite improvements. A detailed listing of projected costs can be found in Exhibit D (p. 59-62).

Construction Cost

The Stadium cost estimate was based on the cost of Coors Stadium in Denver. Coors was built and opened in 1995 for a total cost of $231 million (Exhibit B, p.34). The Association inflated the 1995 cost by approximately 2.5% per year through 2001 to come up with the projected Santa Clara stadium cost of $262 million. Staff is concerned with the Association's project cost projection in that it is neither reflective of CIP increases in the Bay Area the past few years (4% to 6% per year) nor is it reflective of the higher cost of construction labor and materials (concrete, steel, etc.) in the Bay Area. The recent International Conference of Building Officials building valuation guide (Exhibit K, p. 95) indexes the Bay Area at 1.13 and Colorado at .81. This means that a $.81 per foot cost of construction in Colorado is equivalent to a $1.13 per foot cost of construction in the Bay Area. Applying this factor to the 1995 cost of Coors Stadium produces a stadium construction cost in Santa Clara of approximately $320 million. While this index, in and of itself, cannot determine the true project cost of a Santa Clara stadium, staff believes it is a better measure than an annual inflation rate adjustment.

It will be critical, in the early stages of the stadium concept plan, to more clearly define the cost of the stadium and parking garage. A common thread that has run through baseball stadiums constructed over the past ten years is that between the concept estimate, construction bid, and stadium completion, there have been significant cost increases in the majority of stadiums constructed. In the concept planning stage, it is always prudent to overestimate costs and underestimate revenues.

Use of Redevelopment Agency Bonds

Section 33440 of California Redevelopment law states that a Redevelopment agency is not authorized to construct any building that will be privately owned for commercial or other uses. The Association's proposal requires the use of $55 million from RDA issued tax-exempt bonds for the

construction of a parking garage, infrastructure improvements outside the footprint of the stadium, and a people mover from the garage to the stadium. Redevelopment Agency funds can only be used for public infrastructure or buildings, not privately owned facilities for commercial use.

Additionally, any bonds issued from the Santa Clara Bayshore North Redevelopment Project Area must be amortized over the remaining life of the Project Area. The North Bayshore RDA has a fixed time limit:

- No more new debt after January 1, 2004;
- No new development activities after December 28, 2013;
- Receipt of tax increment and the ability to use it to repay indebtedness expires on December 28, 2023.

Assuming that the $55 million in RDA bonds are issued in 2002, the bonds would have a maturity of 21 years, considerably shorter than the 30-year bonds contemplated under the Association's financing plan. The financial impact of this maturity limitation can be significant assuming prevailing interest rates. The annual debt service on $55 million of RDA bonds is approximately $3.55 million. The annual debt service for a 21-year maturity would be approximately $4.2 million, representing an additional $650,000, or 18% increase, in annual debt service.

In 1999, the Agency looked at additional bonding capacity in order to fund the proposed 2,600 car-parking garage. It was determined that the Agency had the capacity to fund a new parking structure and pedestrian bridge for $42.25 million and a Soccer Park for $4.5 million. This parking lot project has been held in abeyance due to the proposed stadium's location. Unspent bond proceeds, held over three years, will trigger federal arbitrage restrictions after August 31, 2002. The current arbitrage estimate, the amount of interest earnings that may have to be returned to the federal government, is $275,000.

The 1999 tax increment study estimated that the Agency would have, at a minimum, residual tax increment revenue sufficient to fund the $650,000 of increased debt service due to the 21 years of remaining Agency tax increment revenues (Exhibit L, p. 96).

Use of Utility Funds as a Loan

The Association's financing proposal requires a $10 million loan from the City's Electric Utility and a $2.5 million loan from the City's combined Water/Sewer Utility. The Association's concept was that the loans would be repaid through special rate schedules that would allow the stadium owner and/or operator to pay a monthly utility bill based on actual usage with a "loan repayment" surcharge tacked onto the bill.

This type of loan from the Utility Enterprise Funds cannot be made, as it would be a violation of Section 1320 of the City Charter (refer to Exhibit M, p. 97-99). Section 1320 restricts the use of utility funds to particular uses:

- Payment of operating expenses;
- Repairs and maintenance;
- Payment of bonds issued for acquisition or construction

- Payment of construction in-lieu of taxes to the General Fund; and
- Extensions or improvements to the utility systems.

The Association views the loan as a form of an economic development incentive from the Utilities to the stadium project. It has been a long-held practice of the Council to view economic incentives in a broader context. A few years ago, when cities were competing with each other offering sales tax rebate programs to entice "big box" retailers to their communities, Santa Clara instead chose to invest millions of dollars upgrading the City's building permit center, to the benefit of all businesses and residents in the City. Even lacking the Charter prohibition of a Utility loan, staff would recommend against this form of significant financial support to benefit a single business activity.

City Loan of $82 million

Of the three sources of funds requested from the City, the loan of $82 million to be repaid at a flat rate of $8 million annually for 25 years (8% interest rate), has been the most difficult to understand the rationale for the request.

Both the City's Bond Counsel and Financial Advisor have significant concerns as to the ability of the City to issue this type of debt and keep the City's General Fund out of harms way in the event of a default. Typically, a public agency is asked to be an issuer of debt for "private activity" financing if the debt qualifies for tax-exempt financing under federal tax regulations. At this point in time the City's Bond Counsel feels it is questionable if these "revenue bonds" would qualify for tax-exempt financing.

One reason the City would be requested to issue debt would be to provide stronger credit behind the debt. If that is the case, bondholders will look to the "full faith and credit" of the City's General Fund to provide this credit. Since the City's General Fund is proposed to be kept out of the financing altogether, staff can see no other potential revenue stream of the City available to be pledged behind the debt.

At a joint meeting of the Association and City staff and financial advisors in late June, the Association indicated they would discuss a form of "guarantee" from the Oakland A's to back the City's debt. The Association committed to return to staff with some "guarantee" alternatives. Staff shared with the Association the open question: If the A's are able to provide a bona fide guarantee, and the bonds do not qualify for tax-exempt status, why do the A's and the Association even need the City in the financing? Why don't the A's obtain the financing themselves? Obviously, much more information and analysis needs to occur on this $82 million financing piece.

MEMORANDUM OF UNDERSTANDING (MOU)

Santa Clara Stadium Association

The Association is comprised of area residents, a number of them former and current public officials, who have joined together for the purpose of constructing, managing and owning the proposed baseball stadium. It is staff's understanding that the group's intent is to form a limited liability company to establish the group's legal standing. Staff does not believe the group has yet obtained legal status.

Review of MOU

In the joint meetings held to date, the Association and City staff have focused primarily on the financing and construction issues pertaining to the proposed ballpark facilities. We have spent a limited amount of time evaluating the language of the MOU. The MOU is intended to define the working relationship between the City's Redevelopment Agency, the Association, and the Oakland A's. Staff was told early in the process that there is an MOU under development between the Association and the A's that defines their working relationship. Staff requested a copy of the Association/A's MOU but have been told that the parties have not yet completed their review, but the document should be available soon. Staff believes it is imperative to view both documents side-by-side to understand the various working relationships, responsibilities, and financial obligations.

The Association made it clear to staff that this was an initial first draft effort at an MOU and that the City should anticipate possible conflicts or inconsistencies in the language as currently drafted.

Signficant Issues in the MOU

- **Equity Ownership of the Stadium**
  Section 17 XVII.E. "SCSA (Association) shall own the ballpark for the duration of the initial lease (35 years)"

  Staff Response: There is no business or legal rationale behind this request. You do not deed a $262 million asset, financed with over $150 million of public funds, to a group that has made no financial contribution to its construction nor has any personal financial risk for the attendant liabilities associated with asset ownership.

- **Construction Management and Stadium Operations**
  There are a number of sections in the MOU that speak to the Association's management of public bond proceeds and monies raised from naming rights, seating rights and concessions towards the construction of the stadium and additional MOU sections that address the Association's ongoing management of the stadium and parking garage.

  Council approval of this MOU would grant "sole source" rights to the Association for the construction and operations management of the stadium facility. This form of non-competitive contracting is prohibited by the Public Contract Code (Exhibit N, p.100). The Public Contract Code requires that Redevelopment Agency contracts in excess of $5,000 must be competitively bid.

  Additionally, the City Attorney has reviewed City Charter Section 1310, pertaining to the award of public works contracts. The stadium is a public works project under the City Charter as the financing has a significant public fund component. Section 1310 requires that bids be awarded to the lowest responsible bidder.

  The Public Contract Code requirements and City Charter provisions aside, the City has a

fiduciary responsibility for the nearly $150 million of public funds being requested for the stadium project. If this project proceeds, it will include one of the largest amounts of public funds ever designated for a project in Santa Clara.

The City has a responsibility to ensure that all phases of the construction and management of this facility are bid to companies with significant depth of skill and experience in the areas of stadium construction and management. Open, competitive bidding processes ensure that the City's assets are protected to the fullest extent possible. Competitive bidding does not preclude the Association's participation in any way. The Association would have full and equal opportunity to seek the types of construction and operations management duties outlined in the MOU.

- **Section XVII. Occupation, Operation and Management of Ballpark**
  "The SCSA (Association) shall have the right, without obligation to pay rent, to use the Ballpark for 240 days each calendar year for Agency Events, including without limitation Convention Center and other public uses, subject to priority of scheduling as described below."

  Staff Response: The City/Agency will have contributed $150 million to the construction of the stadium. The Association's contribution towards construction is zero. Non-baseball operations must vest under City control and management.

- **Section XII. Cap on Expenses for Infrastructure**
  "Except as specifically provided in this MOU, the Agency shall collectively not be required to spend more than $35,000,000 for Infrastructure costs."

  Staff Response: This amount is $5 million more than the on-and-off site improvement contribution of $30 million, as requested from the Agency, contained in the Association's sources and uses of funds analysis (Exhibit D, p. 59-62).

- **Section VII. Ballpark**
  "The Ballpark Estimate shall not exceed $262,000,000. SCSA (Association) and A's shall be solely responsible for any and all development and construction costs for the Ballpark exceeding the Ballpark Estimate."

  Staff Response: The $262 million cap is problematic. There are only two parties in this proposal that have the financial capability to fund a ballpark--the City and the Oakland A's. This language can mean that if the combination of naming rights, seat licenses and concessions do not meet the Association's $125 million estimate, the City would be looked to to increase their contribution to meet the $262 million estimated cost of construction.

- **"...any Major change order shall be subject to the Agency's approval..." The MOU defines a Major Change Order as any change order exceeding $750,000.**

Staff Response: The flip side of this clause is that the Association, during the construction phase, would have unilateral approval, not requiring notification of the Agency, to approve a change order up to $750,000. Staff appreciates that there needs to be some amount of discretionary change order approval on an active construction site, but believes that "up to $750,000" is far in excess of what the allowable discretionary change order limit should be.

There are numerous other sections of the MOU language that need to be understood, analyzed and discussed. The above list of issues is in no way meant to be exhaustive of the issues staff may need to address.

GREAT AMERICA THEME PARK

The portion of the Theme Park parking lot that the Association desires to site the stadium comprises a major section of the 8,100 parking spaces the Agency is committed to provide under the Theme Park ground lease. Section 501 of the Theme Park ground lease states, "Lessor (Agency) shall not otherwise construct, or permit construction of structures on the Parking Areas, without Lessee's (Paramount Parks) reasonable written approval... Withholding of approval by Lessee shall be reasonable if the proposed construction would materially interfere with (i) ongoing park operations (including any interference due to construction traffic or construction noise), (ii) access to the Parking Areas from public roads and/or from the Premises, (iii) Lessee's rights under this Section 501 (including the location of permanent and overflow parking) and the existence of a view corridor or (iv) the quiet enjoyment of the Premises.

Staff shared the Association's stadium proposal with the Theme Park when it was first made public by the Association. In May, Gayle Ando, Executive VP and General Manager sent a letter to the City expressing her concerns as to the proposal (Exhibit O, p. 101).

This past week, the City Manager was contacted by Al Weber, Chief Operating Officer, Paramount Parks/Viacom. In a telephone conversation Mr. Weber stated that he was waiting to hear what impact the stadium proposal will have on the Theme Park ground lease and on the Theme Park business environment in general. Mr. Weber felt that there is not enough official specific information to know what the stadium proposal is. Mr. Weber commented that he was reluctant to comment until he understands what is being proposed and until the City formally approaches Paramount to request modifications to the Lease. In addition to Paramount, a modification to the Theme Park lease would require the approval of Teacher's Insurance and Annuity Association of America (Teacher's). Teacher's is the holder of $18 million of Agency Taxable Senior Secured Refunding Notes and as such must grant approval to any modifications to the Theme Park ground lease.

SAN FRANCISCO GIANTS TERRITORIAL RIGHTS

Staff anticipates that the Oakland A's representatives will provide Council with a statement on the status of this issue at the Study Session on July 24.

SUMMARY

The July 24 Study Session is meant to be an information gathering effort that allows the community an opportunity to publicly hear from the A's, the Association, and City staff on siting a ballpark in Santa Clara. There are no recommendations for Council to act on included in this report, especially considering that new information will be presented by the Association that staff has not had the opportunity to review.

However, if the Council chooses to continue the discussion on bringing the Oakland A's to Santa Clara, staff strongly suggests Council consideration of the following:

The Association has explained to staff that they need to act as an "agent" between the A's and the City because they can construct and operate the stadium quicker, faster and more cost effectively than with the intervention of government processes and practices (e.g., public bidding of contracts or services). Staff disputes these assumptions. The City of Santa Clara has a long history of creating and negotiating property deals with world-class developers. The City has managed numerous, major construction projects and brought them in on budget. The City has selected operations managers for its Convention Center and its seven-year management of a Class A office building, the Techmart. The City's Electric Utility has managed and thrived through the most chaotic period in the utility industry. The City does not need an "agent" to construct, manage, and facilitate a long-term relationship with a Major League Baseball Club.

The members of the Association are respected members of their communities. A number of them have participated in creative, successful projects with the City. However, first and foremost, the stadium proposal is a business deal. Staff believes that there is an inherent conflict of interest when the Association structures a stadium proposal with the A's on the City's behalf, and the survival of the business plan the Association has developed is entirely dependent on its acceptance by the Oakland A's.

The Oakland A's own a baseball franchise and have indicated a desire to relocate to Santa Clara. The City of Santa Clara has responsibility for public funds that the A's require to relocate to Santa Clara. These are the two parties that need to be at the table if Council so desires to move into formal negotiations.

Over the past four months the majority of staff effort has been expended in understanding and analyzing how the Association legally and financially fits into a possible long-term relationship between the City and the A's. This level of effort is not productive in attempting to finally analyze and understand what the contractual relationship should be between the City and the A's. If the Council is interested in pursuing a stadium in Santa Clara, rather than continuing to meet with Association representatives, staff strongly urges the Council to direct the City Manager to meet with the Oakland A's management to explore the possibility of a stadium. The stadium proposal outlined by the Association could not be recommended by staff due to implications to the City's General Fund and the risk to the existing Theme Park Ground Lease.

Options for Council Consideration

1. Note and file the stadium proposal.

2. Take no further action until a complete written proposal is received from the Oakland A's.

3. Take no further action but inform the Oakland A's ownership that the City will be willing to consider a proposal that does not involve the City's General Fund when the A's have resolved territorial rights issue.

4. Authorize land lease negotiations with the Oakland A's. Authorize the City Manager to engage consultants including sports consultants and Financial Advisors to move forward with a detailed feasibility analysis.

Ronald E. Garratt
Assistant City Manager

APPROVED:

Jennifer Sparacino
City Manager/Executive Director

Documents Related to this Report:

Exhibit A – Letter to Oakland A's (p. 1-3)
Exhibit B – Stadium Association-Funding and Financial Assessment (p. 4-56)
Exhibit C – Stadium Association-Economic Analysis (p. 57-58)
Exhibit D – Stadium Association-Sources and Uses Statement (p. 59-62)
Exhibit E – Stadium Association Memorandum of Understanding with City RDA (p. 63-88)
Exhibit F – Report from City Clerk – 1990 Election Regarding Proposed Giants Stadium (p. 89-90)
Exhibit G – Stadium Association-Site Concept Design (p. 91)
Exhibit H - Survey of Stadium Funding Sources – Nationwide (p. 92)
Exhibit I - Analysis of Public Funding of Stadiums – Nationwide (p. 93)
Exhibit J - Survey of Stadium Ownership – Nationwide (p. 94)
Exhibit K - Building Valuation Data (p. 95)
Exhibit L - Memo from RDA Counsel – Key RDA Law Provisions affecting transactions (p. 96)
Exhibit M - Memo from City Attorney – Stadium Association Proposal re: Utility Loan (p. 97-99)
Exhibit N - Memo for City Attorney – RDA Competitive Bidding Requirements (p. 100)
Exhibit O - Letter from General Manager – Paramount's Great America (p. 101)
Exhibit P - Listing of Resource Materials (p. 102)

EXHIBIT A

THE CITY OF SANTA CLARA
CALIFORNIA

CITY MANAGER'S OFFICE
1500 WARBURTON AVE.
SANTA CLARA, CA 95050
(408) 615-2210
FAX (408) 241-6771

February 6, 2001

Federal Express Overnight Delivery

Mr. Ken Hofmann
Mr. Steve Schott
Oakland A's Baseball Club
7677 Oakport Street, Suite 200
Oakland, CA 94621

Dear Mr. Hofmann and Mr. Schott:

I am writing on behalf of the Santa Clara City Council. At the Council's January 30, 2001 meeting, a proposed parking garage in Paramount's Great America parking lot was discussed (site map enclosed). This multi-story parking structure has been in the planning stages for the past two years and is necessary to relieve traffic congestion issues associated with the growing success of the City's Convention Center and Paramount's Great America Theme Park. Bond funding has been secured and the project is ready to move forward to the design phase and eventual construction.

A local Oakland A's booster group, the Santa Clara Stadium Association, led by Mr. Gary Hansen, approached the Council nearly three years ago with a concept to relocate the Oakland A's baseball stadium to the same area of the Great America parking lot proposed for the parking structure. While this booster group has no direction or authority from our City Council to negotiate for a relocation of your team to Santa Clara, the Council does have a desire to hear from the A's ownership if there is any interest in locating an A's stadium on this parking lot area, currently contractually leased by the City to Paramount.

The Council is anxious to move forward with the completion of the parking structure and has directed City staff to proceed with a Request for Proposal to secure an architect for the design of the structure. This process will take approximately sixty (60) days. The Council is seeking to receive a response from you within this sixty-day period. By Council direction, if we do not receive some clarification of your team's intent to relocate to this Santa Clara site within sixty days, the City will proceed with the design and construction of the parking garage at the designated location.

I would be happy to meet with you at your convenience to discuss your intentions for this site. Please call me at (408) 615-2212 so that we can arrange an appropriate time to meet.

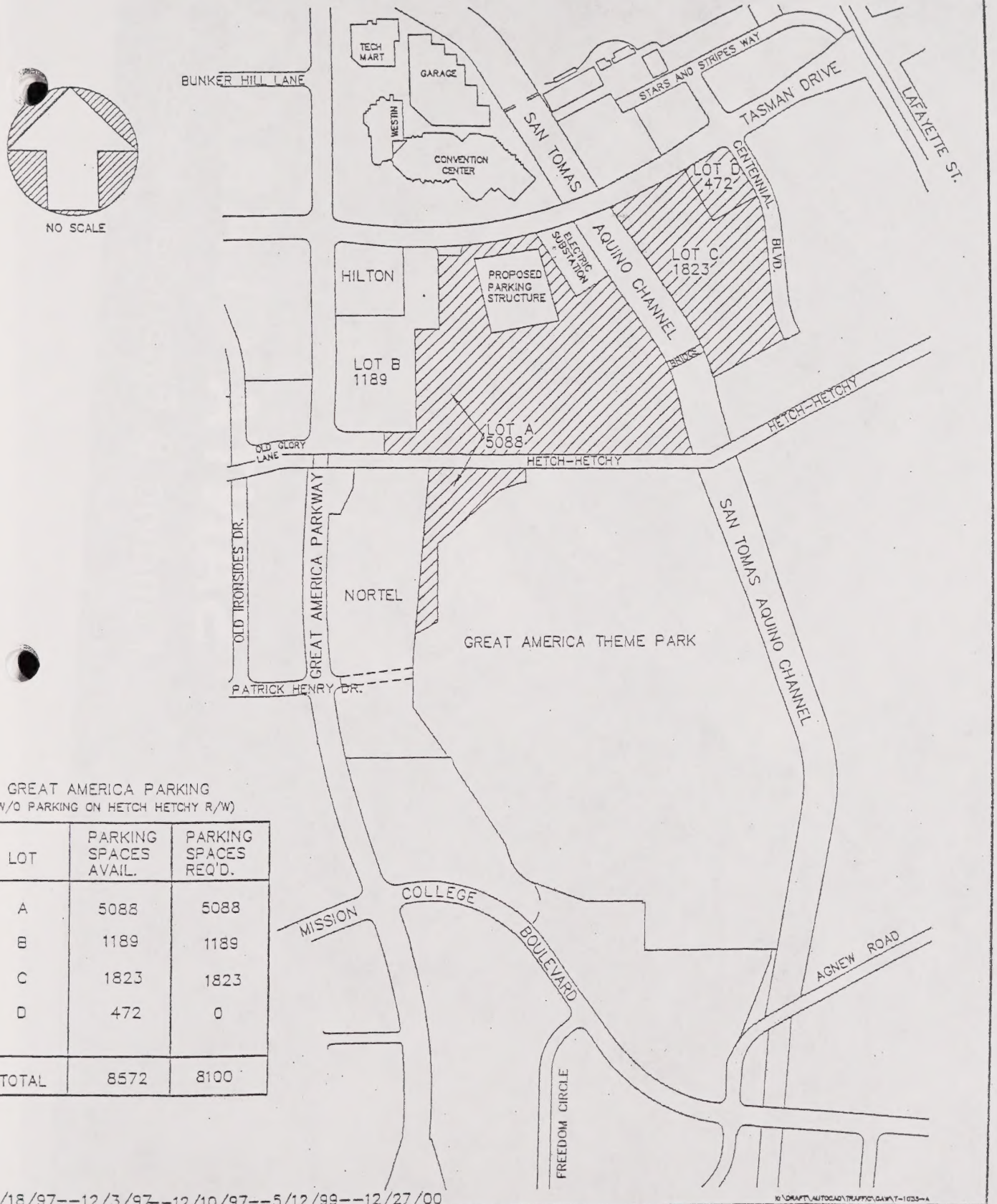
Sincerely,

Ron Garratt
Assistant City Manager

RG:yfg

cc: Mayor and Council Members
Jennifer Sparacino, City Manager

Exhibit A



GREAT AMERICA PARKING
(W/O PARKING ON HETCH HETCHY R/W)

LOT	PARKING SPACES AVAIL.	PARKING SPACES REQ'D.
A	5088	5088
B	1189	1189
C	1823	1823
D	472	0
TOTAL	8572	8100

3/18/97--12/3/97--12/10/97--5/12/99--12/27/00

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BRUCE C. AUGASON
CITY ENGINEER

CITY OF SANTA CLARA

MAP OF PARKING AREAS

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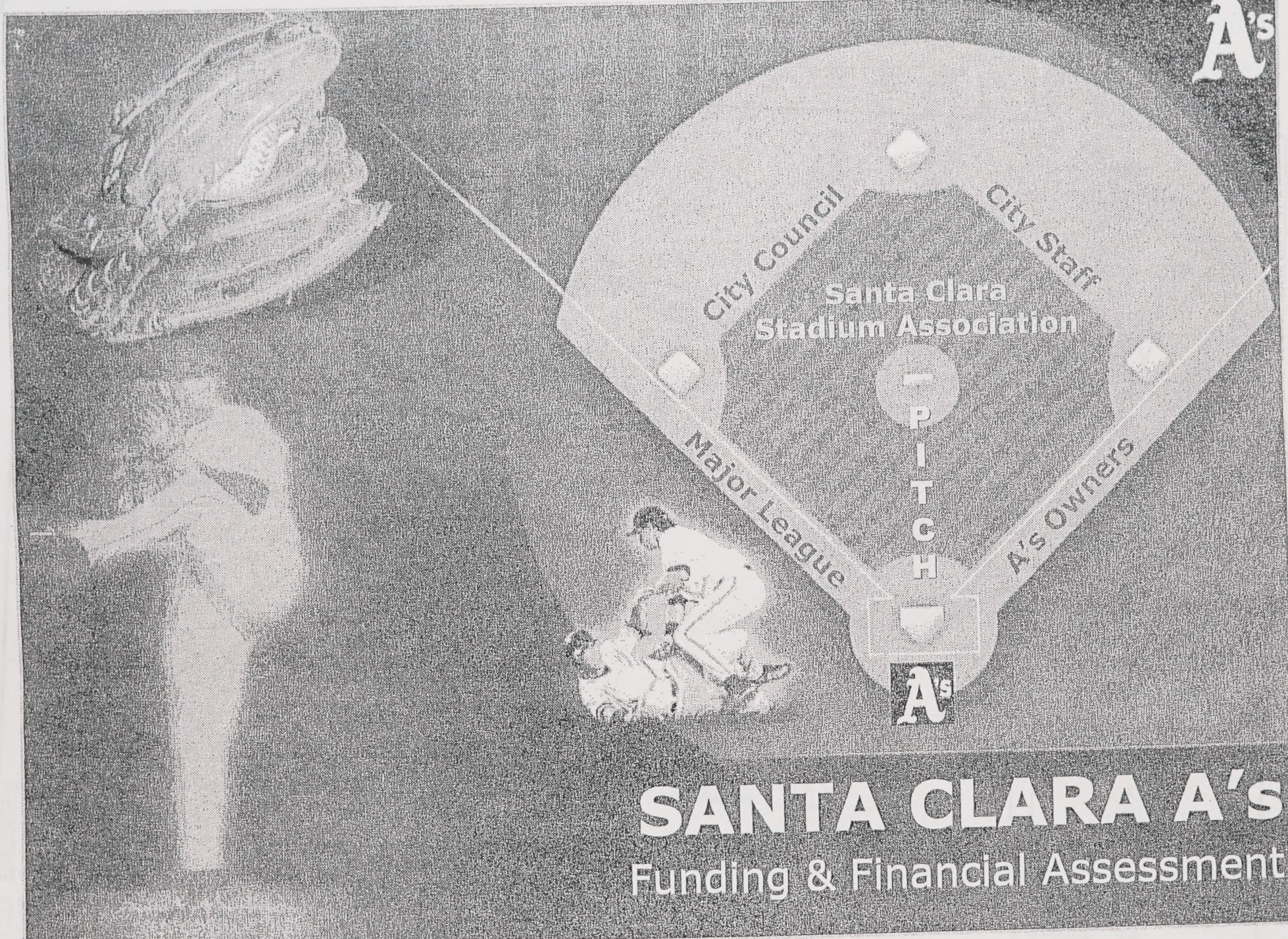

SANTA CLARA A's

Funding & Financial Assessment

EXHIBIT B

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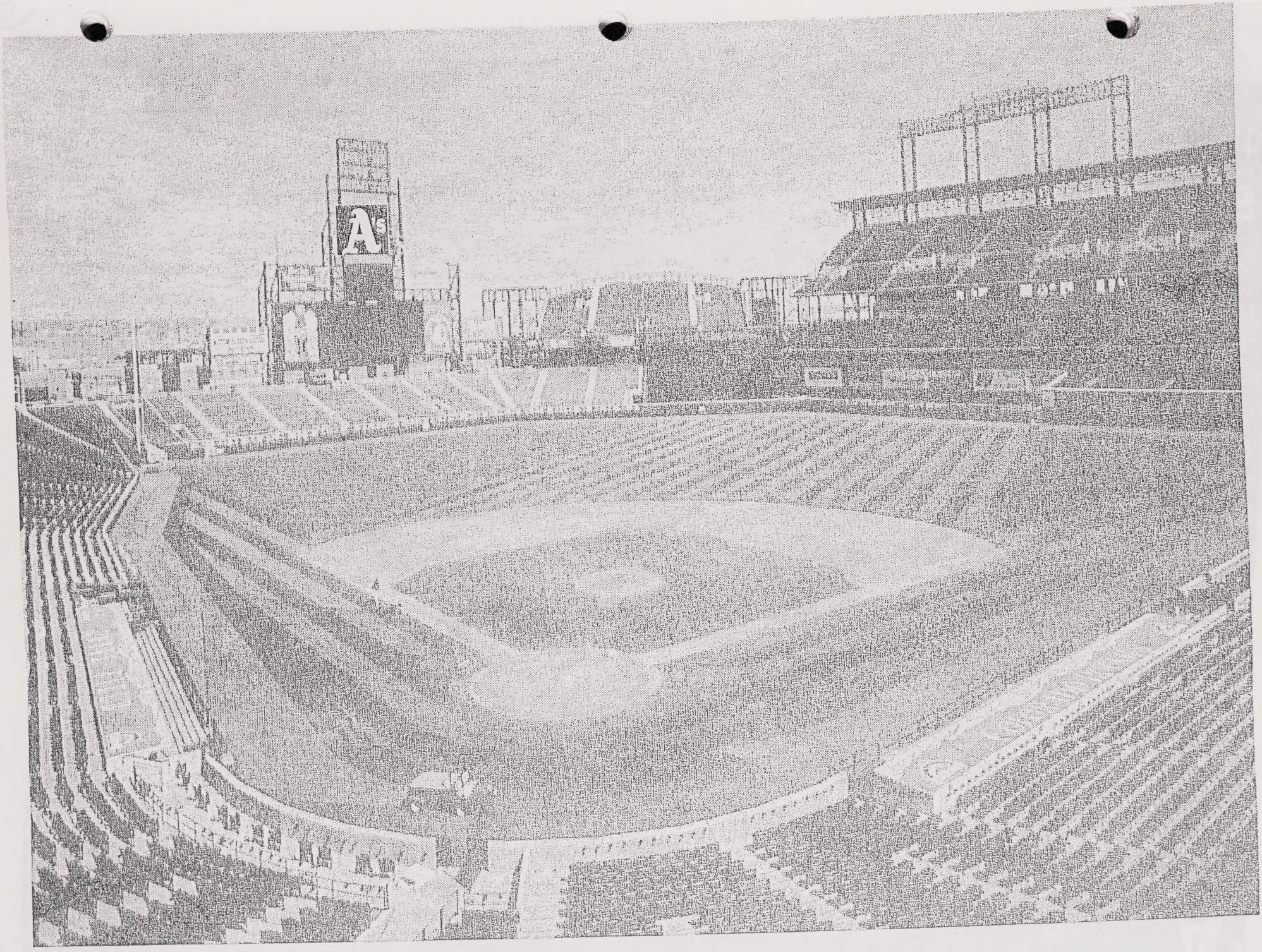
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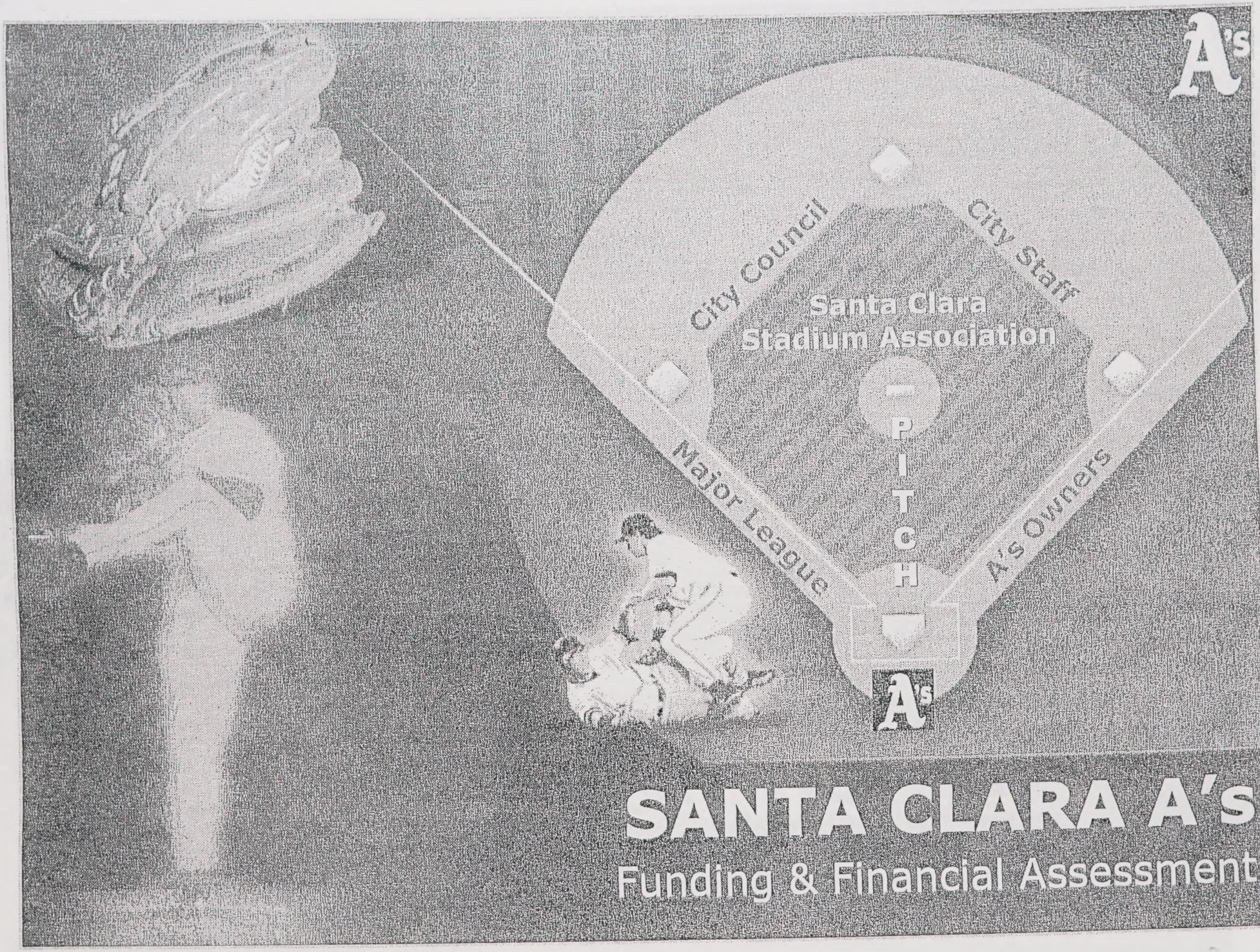

SANTA CLARA A's

Funding & Financial Assessment

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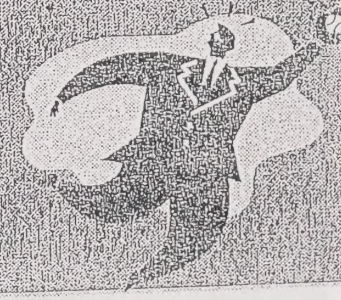
5. Project Time Schedule
6. Draft Memorandum



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MLB Attendance Levels (1995-2000)
Average Regular Season Attendance

Team	Facility	Year Opened	2000 Seating Capacity	2000* Average Attendance	1999 Average Attendance	1998 Average Attendance	1997 Average Attendance	1996 Average Attendance	1995 Average Attendance [1]
Cleveland Indians	*Jacobs Field* [3]	*1994*	*43,400*	*42,700*	*42,800*	*42,800*	*42,000*	*41,000*	*39,500*
Colorado Rockies	*Coors Field* [4]	*1995*	*50,200*	*41,400*	*43,000*	*46,800*	*48,000*	*48,000*	*47,100*
Baltimore Orioles	*Oriole Park at Camden Yards*	*1992*	*48,900*	*41,300*	*42,400*	*45,500*	*45,800*	*45,000*	*43,000*
St. Louis Cardinals	Busch Stadium	1966	49,600	40,900	39,800	39,400	32,800	32,800	24,300
San Francisco Giants	*Pacific Bell Park* [5]	*2000*	*40,800*	*40,800*	25,700	23,800	20,900	17,500	17,200
New York Yankees	Yankee Stadium	1923	57,500	40,200	40,700	36,400	28,200	27,800	23,700
Atlanta Braves	*Turner Field* [6]	*1997*	*49,500*	*39,500*	*40,600*	*41,500*	*42,800*	35,800	35,600
Seattle Mariners	*SAFECO Field* [7]	*1999*	*47,000*	*38,600*	*36,000*	32,600	39,500	33,600	22,800
Houston Astros	*Enron Field* [8]	*2000*	*42,000*	*37,800*	33,400	30,300	25,300	24,400	18,900
Los Angeles Dodgers	Dodger Stadium	1962	56,000	37,200	38,200	38,100	41,000	39,400	38,400
Arizona Diamondbacks	*Bank One Ballpark*	*1998*	*49,100*	*36,300*	*37,300*	*44,500*	NA	NA	NA
New York Mets	Shea Stadium	1964	55,800	35,500	33,700	28,200	21,800	19,600	17,700
Chicago Cubs	Wrigley Field	1914	39,000	35,300	34,700	32,400	27,000	27,400	26,600
Texas Rangers	*The Ballpark in Arlington* [9]	*1994*	*49,200*	*35,000*	*34,200*	*36,100*	*36,300*	*35,700*	*27,600*
Cincinnati Reds	Cinergy Field	1970	53,000	32,100	25,400	22,100	22,000	23,000	25,600
Boston Red Sox	Fenway Park	1912	33,900	31,900	30,200	28,600	27,200	28,600	30,200
Detroit Tigers	*Comerica Park* [10]	*2000*	*40,000*	*31,600*	25,000	17,400	16,900	14,400	16,400
San Diego Padres	Qualcomm Stadium	1968	66,300	29,000	31,200	31,600	25,800	26,900	14,500
Anaheim Angels	Edison International Field	1966	45,100	25,200	27,800	31,100	21,800	22,500	24,300
Chicago White Sox	*Comiskey Park*	*1991*	*44,100*	*24,400*	*16,500*	*17,200*	*23,000*	*20,700*	*22,400*
Toronto Blue Jays	Skydome	1989	45,000	22,200	26,700	30,300	32,000	31,600	39,300
Kansas City Royals	Kauffman Stadium	1973	40,500	21,600	18,600	18,500	18,700	17,700	17,100
Pittsburgh Pirates	*PNC Park* [11]	*2001*	48,000	21,400	20,200	19,300	20,500	16,400	12,600
Oakland A's	**Network Associates Coliseum**	**1966**	**43,700**	**20,900**	**17,700**	**15,200**	**15,600**	**14,200**	**16,300**
Philadelphia Phillies	Veterans Stadium	1971	62,500	20,600	22,500	21,200	18,400	22,200	28,400
Tampa Bay Devil Rays	*Tropicana Field* [12]	*1990, 1998*	*44,800*	*19,200*	*19,300*	*30,900*	NA	NA	NA
Milwaukee Brewers	*Miller Park* [13]	*2001*	53,200	18,900	21,000	22,400	17,800	16,400	15,100
Florida Marlins	Pro Player Stadium	1987	35,500	15,300	16,900	21,600	29,200	21,600	23,600
Minnesota Twins	Metrodome	1982	48,700	13,600	14,900	14,400	17,400	17,700	14,700
Montreal Expos	Olympic Stadium	1976	46,400	12,100	9,500	11,300	18,500	20,000	18,200
New Ballpark Average			45,700	35,700	34,700	38,200	39,700	38,100	35,900
Older Ballpark Average			48,900	26,300	26,400	25,700	24,500	24,000	22,700
MLB Average			47,600	30,100	28,900	29,100	27,700	26,500	25,000

MLB Attendance Levels (1995-2000)
Footnotes

Note: All figures are rounded to nearest hundred.

Note2: Ballparks built since 1990 are italicized.

Note3: The Arizona Diamondbacks and Tampa Bay Devil Rays joined the MLB in 1998.

[1] The 1995 season reflects an average of 72 home games for all MLB teams.

[2] Reflects 1994 average regular season attendance up to the date of the players strike, August 12, 1994. This represents an average of 57 home games for all MLB teams.

[3] Prior to the 1994 season, the Indians played their home games at Indians' Park which had a seating capacity of 74,500.

[4] Prior to the 1995 season, the Rockies played their home games at Mile High Stadium which had a seating capacity of 76,000

[5] Prior to the 2000 season, the Giants played their home games at 3COM Park which had a seating capacity of 63,000.[6] Prior to the 1997 season, the Braves played their home games at Atlanta-Fulton County Stadium which had a seating capacity of 52,700.

[7] Prior to the 1999 season, the Mariners played their home games at the Kingdome which had a seating capacity of 59,200. During SAFECO Field's inaugural season, the Mariners played 39 of their 81 home games at the Kingdome prior to finishing the season with 42 games at SAFECO Field.

[8] Prior to the 2000 season, the Astros played their home games at the Astrodome which had a seating capacity of 54,300.

[9] Prior to the 1994 season, the Rangers played their home games at Arlington Stadium which had a seating capacity of 43,500.

[10] Prior to the 2000 season, the Tigers played their home games at Tiger Stadium which had a seating capacity of 52,400 .

[11] Capacity and attendance figures for the Pirates through 2000 are for Three Rivers Stadium.

[12] Tropicana Field was originally built in 1990, then renovated in 1998 in preparation of the Devil Rays joining the MLB.

[13] Capacity and attendance figures for the Brewers through 2000 are for Milwaukee County Stadium.

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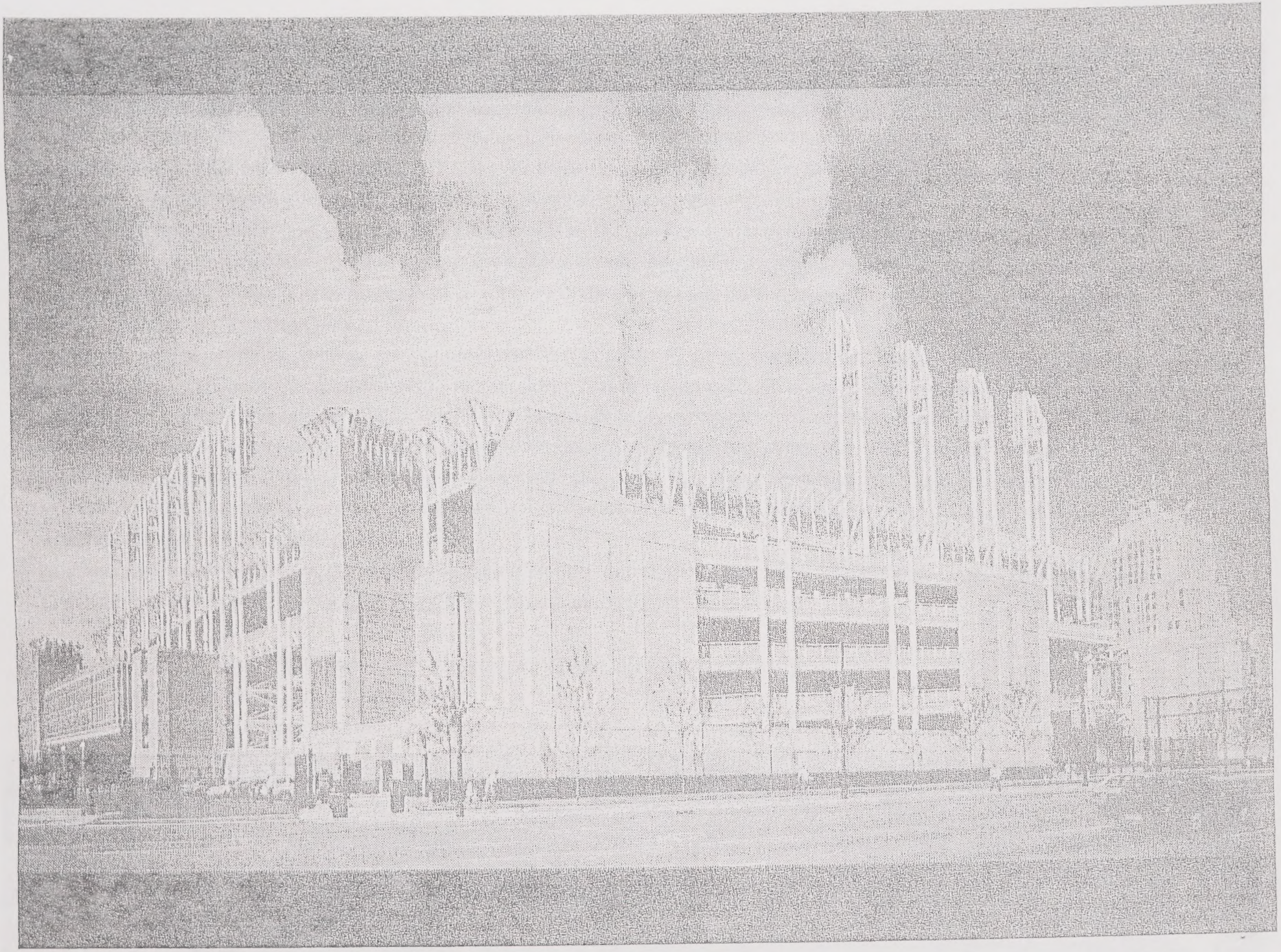


Average Regular Season Attendance
Before and After Development of New Ballpark

Team	Facility	Average Attendance in New Ballpark	Average Attendance 3 Years Before New Ballpark	Percentage Change
Atlanta Braves	Turner Field	41,100	38,600	6.48%
Baltimore Orioles [1]	Oriole Park at Camden Yards	44,100	30,700	42.72%
Chicago White Sox	Comiskey Park	23,200	17,100	35.40%
Cleveland Indians	Jacobs Field	40,800	18,300	122.95%
Colorado Rockies [2]	Coors Field	45,700	56,500	-19.12%
Detroit Tigers	Comerica Park	31,600	19,800	59.60%
Houston Astros	Enron Field	37,800	29,700	27.27%
San Francisco Giants	Pacific Bell Park	40,800	23,500	73.62%
Seattle Mariners [3]	SAFECO Field	37,300	35,200	5.97%
Texas Rangers	The Ballpark in Arlington	35,500	27,700	28.16%
Average		**37,800**	**29,700**	**27.27%**
Average without Colorado and Cleveland		**36,400**	**27,800**	**30.94%**

1 Average Attendance before new ballpark is over two years.

2 Past average attendance is for two years, as the Rockies joined the MLB only two years prior to moving to Coors Field. The Rockies moved from the 76,100-seat Mile High Stadium into the 50,200-seat Coors Field in 1995. In addition, since the Rockies expansion franchise began operations in 1993, their high attendance levels prior to moving to Coors Field could be due to the novelty of the team and large seating capacity at Mile High Stadium.

3 The Mariners played 42 of their 81 home games at SAFECO Field in 1999. The remaining 39 games were played in the Kingdome.

Note: Tropicana Field and Bank One Ballpark are not included since the Devil Rays and Diamondbacks were new teams at the time these parks opened.

A

Attendance - Key Points

- 2000 average attendance

Oakland Athletics	20,900
Older Ballparks	26,300
New Ballparks	35,700
MLB-Overall	30,100

- Average attendance increase was approximately 32 percent for teams moving into new ballparks

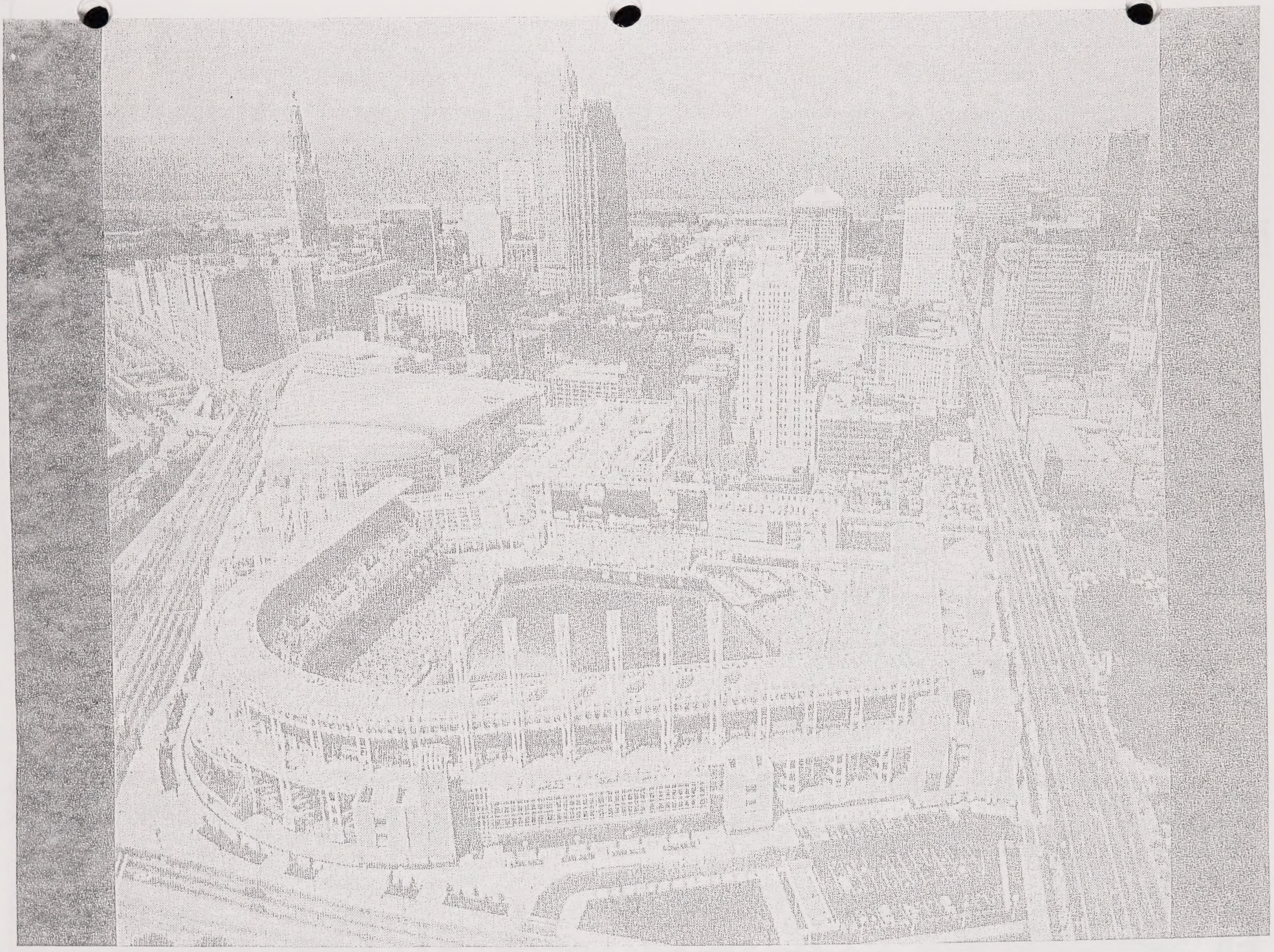
- Athletics low attendance is in spite of being Western Division Champions

For use of the Santa Clara Stadium Association Exploratory Committee

MLB Ticket Prices
Average Ticket Prices (1995-2000)

Team	Facility	2000 Average Ticket Price	1999 Average Ticket Price	1998 Average Ticket Price	1997 Average Ticket Price	1996 Average Ticket Price	1995 Average Ticket Price	Annualized Percentage Change
Boston Red Sox	Fenway Park	$28.30	$24.10	$20.60	$17.70	$15.40	$13.50	13.45%
Seattle Mariners	SAFECO Field	$26.30	$19.00	$14.90	$13.40	$11.60	$10.00	18.53%
New York Yankees	Yankee Stadium	$25.90	$23.30	$20.50	$16.30	$14.50	$15.00	9.75%
Detroit Tigers	Comerica Park	$24.80	$12.20	$10.40	$10.40	$10.60	$10.60	14.87%
New York Mets	Shea Stadium	$24.30	$19.90	$16.10	$13.10	$11.80	$10.90	12.13%
San Francisco Giants	Pacific Bell Park	$21.20	$12.10	$11.50	$10.10	$10.60	$11.10	12.49%
Cleveland Indians	Jacobs Field	$20.60	$18.40	$17.40	$15.30	$14.50	$12.10	13.10%
Houston Astros	Enron Field	$20.00	$13.30	$11.90	$10.50	$10.70	$8.90	13.39%
Atlanta Braves	Turner Field	$19.80	$19.20	$17.20	$15.50	$13.10	$12.00	10.57%
Texas Rangers	The Ballpark in Arlington	$19.70	$19.90	$16.50	$13.30	$12.00	$12.10	12.02%
Baltimore Orioles	Oriole Park at Camden Yards	$19.50	$19.80	$19.80	$15.70	$13.10	$13.10	8.38%
Chicago Cubs	Wrigley Field	$17.60	$17.50	$14.40	$14.60	$13.10	$13.20	6.01%
St. Louis Cardinals	Busch Stadium	$17.60	$16.50	$15.50	$12.40	$9.90	$9.80	9.88%
Arizona Diamondbacks [1]	Bank One Ballpark	$16.60	$16.60	$14.70	NA	NA	NA	NA
Colorado Rockies	Coors Field	$16.50	$15.80	$15.90	$11.40	$10.60	$10.60	11.09%
Toronto Blue Jays	Skydome	$16.30	$16.60	$16.40	$14.90	$13.90	$13.40	2.60%
Los Angeles Dodgers	Dodger Stadium	$15.40	$13.70	$12.20	$11.20	$9.90	$9.70	7.64%
Chicago White Sox	Comiskey Park	$14.30	$15.00	$14.50	$16.10	$14.10	$12.90	2.91%
Philadelphia Phillies	Veterans Stadium	$13.60	$13.60	$10.70	$11.00	$11.00	$9.80	7.50%
Anaheim Angels	Edison International Field	$13.20	$13.20	$11.80	$9.70	$8.40	$8.10	7.42%
San Diego Padres	Qualcomm Stadium	$13.00	$11.90	$11.30	$10.60	$9.90	$9.10	5.91%
Florida Marlins	Pro Player Stadium	$12.50	$12.20	$12.20	$10.10	$10.40	$9.70	3.69%
Tampa Bay Devil Rays [2]	Tropicana Field	$12.00	$15.10	$15.60	NA	NA	NA	NA
Kansas City Royals	Kauffman Stadium	$11.80	$11.80	$10.70	$9.70	$9.70	$10.10	3.62%
Pittsburgh Pirates	PNC Park	$11.80	$10.70	$9.30	$10.10	$10.10	$9.70	4.28%
Milwaukee Brewers	Miller Park	$11.70	$11.00	$9.60	$9.60	$9.40	$9.50	2.56%
Oakland A's	Network Associates Coliseum	$11.40	$10.10	$10.60	$10.50	$11.30	$10.60	1.18%
Cincinnati Reds	Cinergy Field	$10.70	$9.70	$8.40	$8.40	$8.00	$8.00	4.24%
Montreal Expos	Olympic Stadium	$10.30	$9.40	$10.00	$6.80	$9.10	$8.90	2.61%
Minnesota Twins	Metrodome	$9.30	$8.50	$8.20	$9.70	$10.20	$9.40	0.15%
MLB Average		$16.90	$15.00	$13.60	$12.10	$11.30	$10.80	8.25%

[1] The Annualized Percentage Change for the Arizona Diamondbacks reflects data from 1998 - 2000. [2] The Annualized Percentage Change for the Tampa Bay Devil Rays reflects data from 1998 - 2000. Note: All figures are rounded to the nearest $0.10 Note2: The Arizona Diamondbacks and the Tampa Bay Devil Rays joined the MLB in 1998.



MLB Ticket Prices
Average Ticket Price Increase
New Ballpark Versus Old Ballpark

Team	Facility	Average Ticket Price Year After Opening	Average Ticket Price Year Prior to Opening	Percentage Change
Atlanta Braves	Turner Field	$15.50	$13.10	18%
Baltimore Orioles	Oriole Park at Camden Yards	$9.70	$8.48	14%
Chicago White Sox	Comiskey Park	$10.10	NA	NA
Cleveland Indians	Jacobs Field	$12.10	$8.70	39%
Colorado Rockies	Coors Field	$10.60	$7.90	34%
Detroit Tigers	Comerica Park	$24.80	$12.20	103%
Houston Astros	Enron Field	$20.00	$13.30	50%
San Francisco Giants	Pacific Bell Park	$21.20	$12.10	75%
Seattle Mariners	SAFECO Field	$19.00	$14.90	28%
Texas Rangers	The Ballpark in Arlington	$12.10	$8.90	36%
New Ballpark Average		$15.50	$10.80	44%

Note: Comiskey Park average ticket price for 1990 is not available.

Note2: Bank One Ballpark and Tropicana Field are not included, as the Diamondbacks and the Devil Rays were new teams at the time of park opening.

Ticket Prices - Key Points

- 2000 average ticket prices:
  - Oakland Athletics $11.40
  - MLB Average (New Ball Park) $15.50
- Average ticket price for Athletics has remained relatively stable over past 5 years due to lagging attendance
- Average ticket prices increased approximately 45 percent for teams moving into new ballparks
- Athletics currently retain all revenue derived from tickets but pay annual rent of $250,000
- Teams operating in new ballparks typically retain all ticket revenue and pay a flat rent or rent based on attendance

For use by the Santa Clara Stadium Association Subject to Revision

Private Suite Inventory and Pricing
Recently Built Ballparks

Team	Ballpark	Year Built	Number of Suites	Annual Price per Suite
Cleveland Indians*	Jacobs Field	1994	132	$40,000 to $110,000
Texas Rangers	Ballpark in Arlington	1994	129	$52,000 to $125,000
Detroit Tigers**	Comerica Park	2000	102	$90,000 to $150,000
Chicago White Sox**	Comiskey Park	1991	102	$65,000 to $95,000
Milwaukee Brewers**	Miller Park	2001	70	$85,000 to $100,000
Seattle Mariners**	Safeco Field	1999	69	$80,000 to $145,000
Baltimore Orioles**	Oriole Park at Camden Yards	1992	68	$75,000 to $175,000
Arizona Diamondbacks**	Bank One Ballpark	1998	68	$95,000 to $125,000
San Francisco Giants**	Pacific Bell Park	2000	67	$65,000 to $105,000
Pittsburgh Pirates**	PNC Park	2001	65	$60,000 to $175,000
Houston Astros*	Enron Field	2000	63	$75,000 to $100,000
Tampa Bay Devil Rays**	Tropicana Field	1990,1998	63	$40,000 to $140,000
Atlanta Braves**	Turner Field	1997	54	$125,000 to $200,000
Colorado Rockies**	Coors Field	1995	51	$77,000 to $116,000
Average - New Ballparks			79	$73,143 to $133,000
Oakland Athletics**			63	$30,000 to $65,000

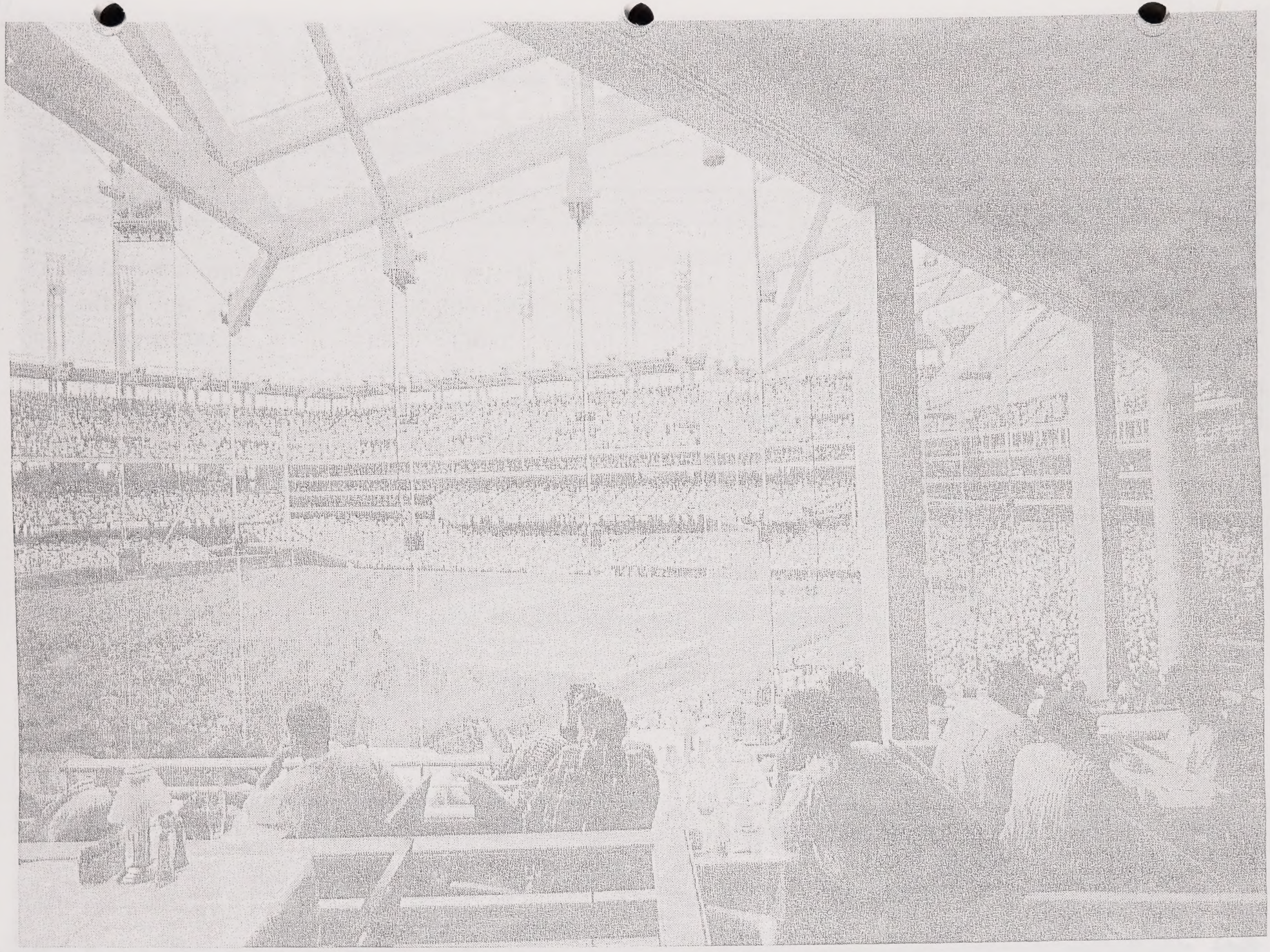
[1] Party suites not included. [2] Jacobs Field includes 122 suites, plus 10 dugout suites.

* Tickets not included in price shown. ** Tickets included in price shown.

Private Suites - Key Points

- New ballparks offer significantly more suites at higher prices
- Older ballparks, particularly multi-purpose stadiums, do not typically provide the sightlines and modern amenities of new ballpark suites and they do not command high prices.
- The Athletics have 68 private suites ranging in price from $30,000 to $65,000 annually.
- The first $750,000 in private suite revenue is allocated to the Athletics. Remaining private suite revenue is divided equally between Athletics and Coliseum Commission.
- Teams operating in new ballparks typically retain all private suite revenue.
- In some cases, private suite revenue has been used to fund a portion of stadium development costs.

For use of the Santa Clara Stadium Association, Subject to Change



Club Seat Inventory and Pricing
Recently Built Ballparks

Team	Ballpark	Year Built	No. of Club Seats	Price per Seat
Atlanta Braves*	Turner Field	1997	5,561	$2,349
Texas Rangers*	Ballpark in Arlington	2000	5,386	$1,215 to $3,240
San Francisco Giants*	Pacific Bell Park	2000	5,300	$2,656 to $2,988
Baltimore Orioles*	Oriole Park at Camden Yards	1992	5,086	$2,282 to $3,335
Houston Astros*	Enron Field	2000	5,000	$2,016 to $2,352
Colorado Rockies*	Coors Field	1995	4,400	$2,430 to $2,592
Seattle Mariners*	Safeco Field	1994	4,400	$2,754 to $2,997
Milwaukee Brewers*	Miller Park	2001	4,150	$1,944 to $2,592
Detroit Tigers*	Comerica Park	2000	3,000	$4,050 to $6,075
Tampa Bay Devil Rays*	Tropicana Field	1998	2,776	$2,200
Pittsburgh Pirates*	PNC Park	2001	2,500	$2,430 to $12,150
Cleveland Indians**	Jacobs Field	1994	2,064	$1,865
Chicago White Sox*	Comiskey Park	1991	1,800	$1,620
Arizona Diamondbacks*	Bank One Ballpark	1998	1,250	$4,565
Average - New Ballparks			3,762	$2,420 to $3,637
Oakland Athletics			0	$0 to $0

*Ticket included in price(s) shown. **Ticket not included in price(s) shown.

Club Seats - Key Points

- Modern club seats offer excellent sightlines of playing field, restricted access, wider seats, wait staff service, access to a private club, parking privileges and other such amenities
- Club seats at older ballparks typically do not offer the same level of amenities
- The Athletics currently have no clubseats
- Average number of club seats offered at new ballparks is 3,762 and range in price from $2,420 to $6,667 per seat per season
- Athletics must pay Coliseum Commission $10 per club seat sold and 10 percent of net club seat revenue
- Teams operating in new ballparks typically retain all club seat revenue

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FIELD

Facility Naming Rights
MLB Stadiums

Facility	Company	Professional Tenant	Total Contract	Contract Length
Enron Field	**Enron Corporation**	**Houston Astros**	**$100,000,000**	**30**
Great American Ballpark [2]	**Great American Insurance Co.**	**Cincinnati Reds**	**$75,000,000**	**30**
Comerica Park	**Comerica Incorporated**	**Detroit Tigers**	**$66,000,000**	**30**
Bank One Ballpark	Bank One Corporation	Arizona Diamondbacks	$66,000,000	30
Edison International Field	Edison International	Anaheim Angels	$50,000,000	20
Pacific Bell Park	Pacific Bell Telephone Company	San Francisco Giants	$50,000,000	24
Tropicana Field	Tropicana Dole Beverage	Tampa Bay Devil Rays	$46,000,000	30
Miller Park	Miller Brewing Company	Milwaukee Brewers	$41,200,000	20
SAFECO Field	SAFECO Corporation	Seattle Mariners	$36,000,000	20
PNC Park	PNC Bank	Pittsburgh Pirates	$30,000,000	20
Coors Field	Coors Brewing Company	Colorado Rockies	$15,000,000	10
Jacobs Field	Jacobs Family	Cleveland Indians	$13,900,000	20
Average - Ballparks			$49,092,000	24
Network Associates Coliseum	Network Associates	Athletics, Raiders	$6,000,000	5

[1] Only single-use MLB Ballparks included (with the exception of Oakland Athletics).

[2] The Cincinnati Reds continue to play at Cinergy Field until Great American Ballpark opens in 2003.
In 1996, Cinergy Corporation paid$6 million for a six-year naming rights agreement contract.

Facility Naming Rights
Key Points

- Naming rights are increasingly becoming an important source of additional facility/team income.
- Naming rights have been sold for 11 MLB ballparks.
- Terms of the average naming right agreement is $49.1 million over 24 years.
- Naming right agreements typically involve a combination of upfront and annual payments in exchange for facility naming rights, advertising signage, promotional opportunities, premium seating, tickets and other commodities.
- In some cases, naming right revenue has been used to fund ballpark development costs.
- [redacted]
- Teams operating in new ballparks typically retain all or a portion of naming rights revenue.

For use of the Santa Clara Stadium Association Subject to Change

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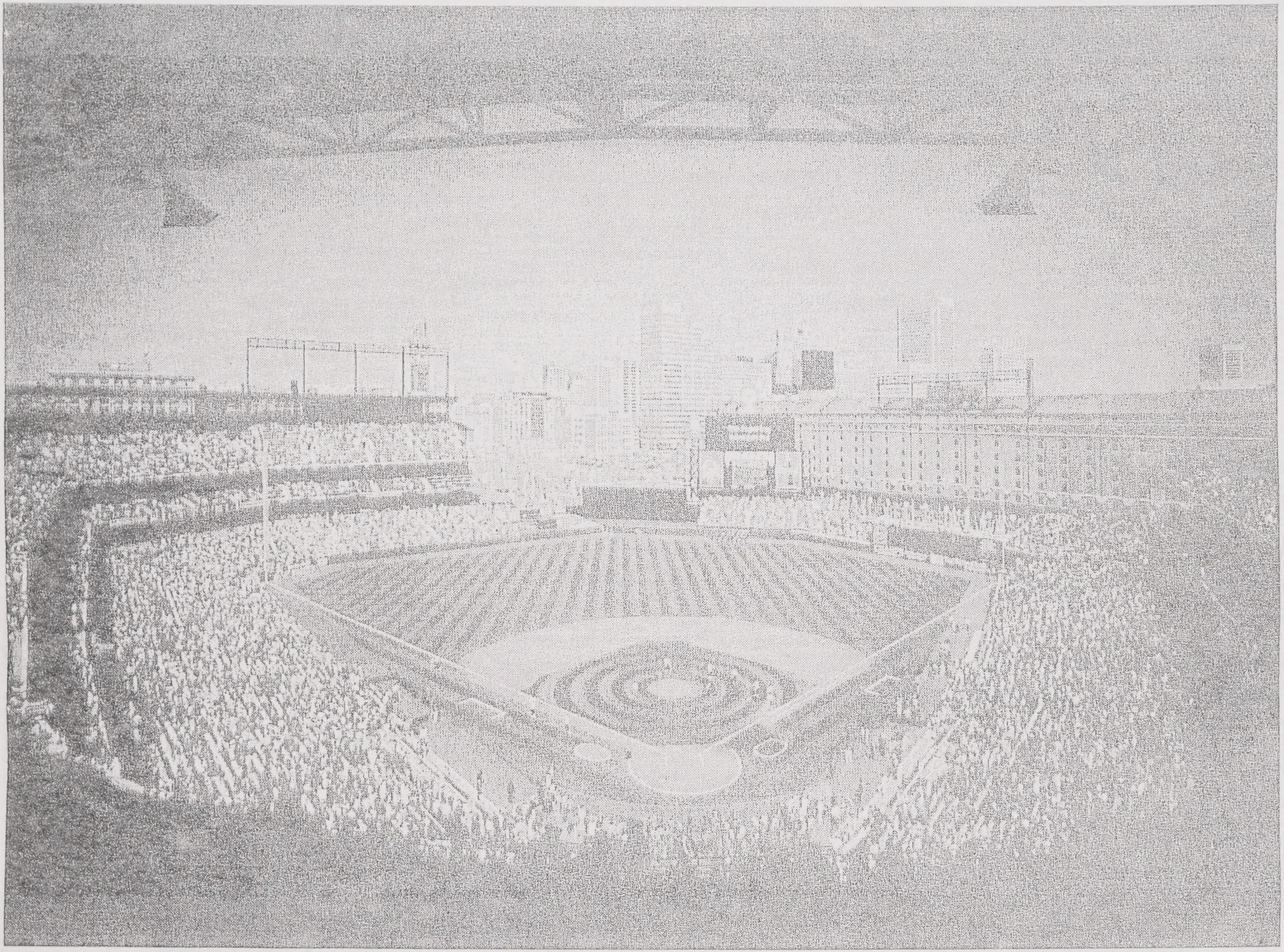

Club Contribution and Lease Comparison

Selected New MLB Ballparks

	Arizona Diamondbacks	Atlanta Braves	Baltimore Orioles	Chicago White Sox	Cleveland Indians	Colorado Rockies
Club Contribution	$117	$260	$24	$0	$57	$42
Gate Receipts/Rent Paymen	(1)	(3)	7%	(6)	$2.95 million (8)	(9)
Surcharge/Admission Fees	-	-	-		-	
Concessions	-	-	7.5% (5)		-	3% (10)
Catering	-	-	3.3% to 4.2%		-	-
Parking	(2)	8.25%	50% net		-	20%
Suites	5%	-	10% net		-	-
Club Seats	5%	-	7.5%		-	-
Advertising	-	-	25% net	(7)	-	-
Naming Rights	$325,000	(4)	-		-	-

(1) Diamondbacks pay $1 million base payment to Maricopa County, with an additional 50 cents for each ticket sold above 2 million tickets.

(2) Diamondbacks keep 100% of parking revenues for baseball events, but split parking revenues with Maricopa County for non-baseball events.

(3) Braves pay local sports authority an annual capital fee of $1 million (1997-2015), and $1.5 million beginning in 2016. Team also pays authority annual operator's fee of $500,000.

(4) Braves retain all monies from sale of naming rights (ballpark does not currently have a naming rights agreement), unless fees exceed $1.5 million, at which time team pays authority first $250,000 in excess for years 1-10, and 50% of the portion of the excess of $1.5 million for years 11-20 (capped amount adjusted for inflation).

(5) Orioles pay Maryland Stadium Authority 5% of concession sales on club level, 1.7% of tobacco producs, 2.5% each of candy and novelty sales, and 6.67% of cafeteria/deli sales.

(6) White Sox pay no rent until 1.2 million tickets are sold; $3 per ticket from 1.2 to 2 million tickets; $1.80 per ticket over 2 million tickets.

(7) White Sox pay Illinois Sports Facilities Authority 35% of proceeds from in-stadium advertising revenue exceeding $10 million.

(8) Amount noted is paid to Gateway Economic Development Corp. to assist in paying ballpark debt service. Otherwise, Indians pay no rent until: 1.85-2.25 million tickets are sold, Indians pay 75 cents per ticket; 2.25-2.5 million tickets are sold, Indians pay $1 per ticket; 2.5 million tickets or more are sold, Indians pay 1.25 per ticket.

(9) Denver Metropolitan Major League Baseball District receives 25 cents for every ticket sold between 2 and 2.5 million; 50 cents for every ticket between 2.5 million and 3 million, and $1 for every ticket sold over 3 million tickets.

(10) District receives this 3% from sales at the brew pub adjacent to the park.

Club Contribution and Lease Comparison

Selected New MLB Ballparks

	Detroit Tigers	Houston Astros	San Francisco Giants	Seattle Mariners	Tampa Bay Devil Rays	Texas Rangers
Club Contribution	$145	$88	$306	$145	$22	$48
Gate Receipts/Rent Paymen	(11)	$4.6 million (12)	$1.2 million	$700,000 (13)	(14)	$2 million (16)
Surcharge/Admission Fees	-	-	-	-	-	$1.00
Concessions	-	-	-	-	-	-
Catering	-	-	-	-	-	-
Parking	-	-	-	-	-	-
Suites	-	-	-	-	-	5% (17)
Club Seats	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Naming Rights	-	-	-	-	(15)	-

(11) City of Detroit Downtown Development Authority retains all ticket sale revenues, plus $1.00 per year for the duration of 35-year lease, then $1 million for each option year following.

(12) Non-relocation agreement requires Astros to pay Houston Sports Authority $250 million in liquidated damages should Astros move prior to 30-year lease expiration.

(13) Mariners pay $700,000 base rent plus 10% of net operating profits (profit-sharing), plus 5% of gross ticket revenues are paid to a capital fund. Additionally, if there is a sale of at least 80% of the team, 20% of the net profit realized by the team sale would be paid to the Washington State Facilities District (not to exceed $20 million).

(14) Team pays City of St. Petersburg 50 cents for each ticket sold for any event. If attendance for regular season baseball games exceeds 3.3 million people, Devil Rays pay the City 75 cents per ticket for each ticket sold above 3.3 million. In addition, for each year of the lease following the first three years, the City pays the Devil Rays a $4.2 million per year management fee.

(15) Naming rights are distributed as follows: First $800,000 goes to Devil Rays; next $250,000 to a capital account; next $500,00 split 50% to team, 50% to city; for any amount over $1.55 million, team retains 85%, city retains 15%.

(16) In addition to $2 million annual rent payment, Rangers must pay the City of Arlington another $1.5 million in rent until bond obligations are satisfied.

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For use of the Santa Clara Stadium Association. Subject to Change.

New Ballpark Cost - ($000's)

Open Air Ballparks

Facility	Team	Year Built	Construction[2]	Other Costs[3]	Total Historical Costs	2001 Inflated Costs[4]
Turner Field	Atlanta Braves	1997	$234	$26	$260	$284
Oriole Park at Camden Yards	Baltimore Orioles	1992	$114	$120	$234	$293
Comiskey Park	Chicago White Sox	1991	$170	$29	$199	$256
Great American Ballpark	Cincinnati Reds	2003	$300	$33	$333	$333
Jacobs Field	Cleveland Indians	1994	$141	$58	$212	$251
Coors Field	Colorado Rockies	1995	$216	$15	$231	$266
Comerica Park	Detroit Tigers	2000	$225	$55	$280	$285
New Phillies Ballpark [4]	Philadelphia Phillies	2004	$305	$41	$346	$346
PNC Park	Pittsburgh Pirates	2001	$209	$52	$261	$261
Ballpark for San Diego	San Diego Padres	2002	$285	$172	$457	$457
Pacific Bell Park	San Francisco Giants	2000	$298	$8	$306	$312
Ballpark in Arlington	Texas Rangers	1994	$154	$38	$192	$227
Average			$221	$54	$276	$298

[1] Costs for ballparks scheduled to open after 2001 are preliminary.

[2] Construction costs include both soft costs (consulting, engineering) and actual construction costs.

[3] Other costs includes land and infrastructure required for park construction.

[4] The appropriate inflation factor for each specific year was utilized.

For use of the Santa Clara Stadium Association. Subject to Change.

New Ballpark Cost - ($000's)

Ballparks w/ Retractable Roofs

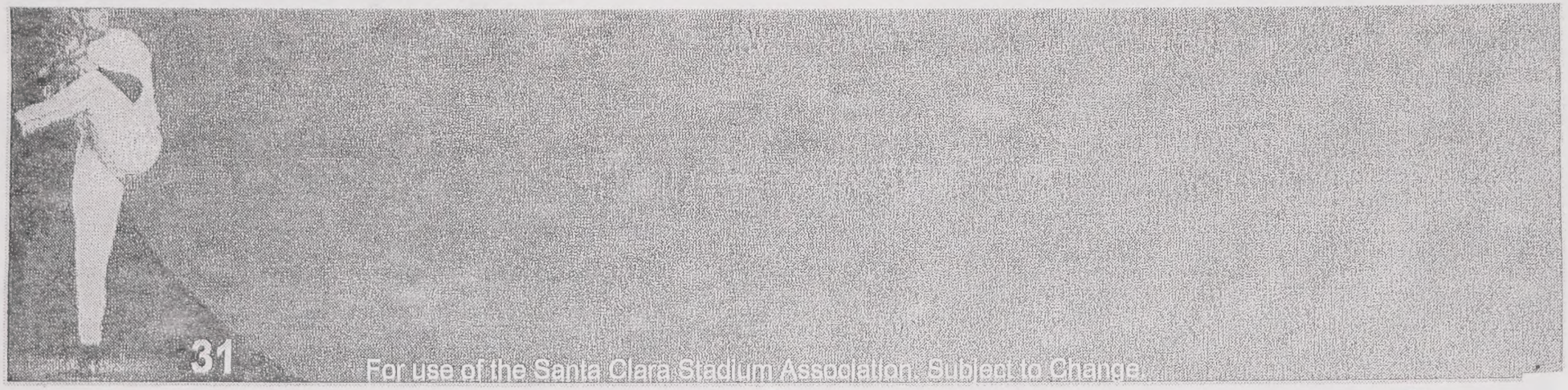
Facility	Team	Year Built	Construction[2]	Other Costs[3]	Total Historical Costs	2001 Inflated Costs
Bank One Ballpark	Arizona Diamondbacks	1998	$306	$48	$354	$381
Enron Field	Houston Astros	2000	$243	$37	$280	$285
Miller Park	Milwaukee Brewers	2001	$250	$72	$322	$322
Safeco Field	Seattle Mariners	1999	$484	$34	$517	$544
Average			$321	$48	$368	$383

[1] Costs for ballparks scheduled to open after 2001 are preliminary.

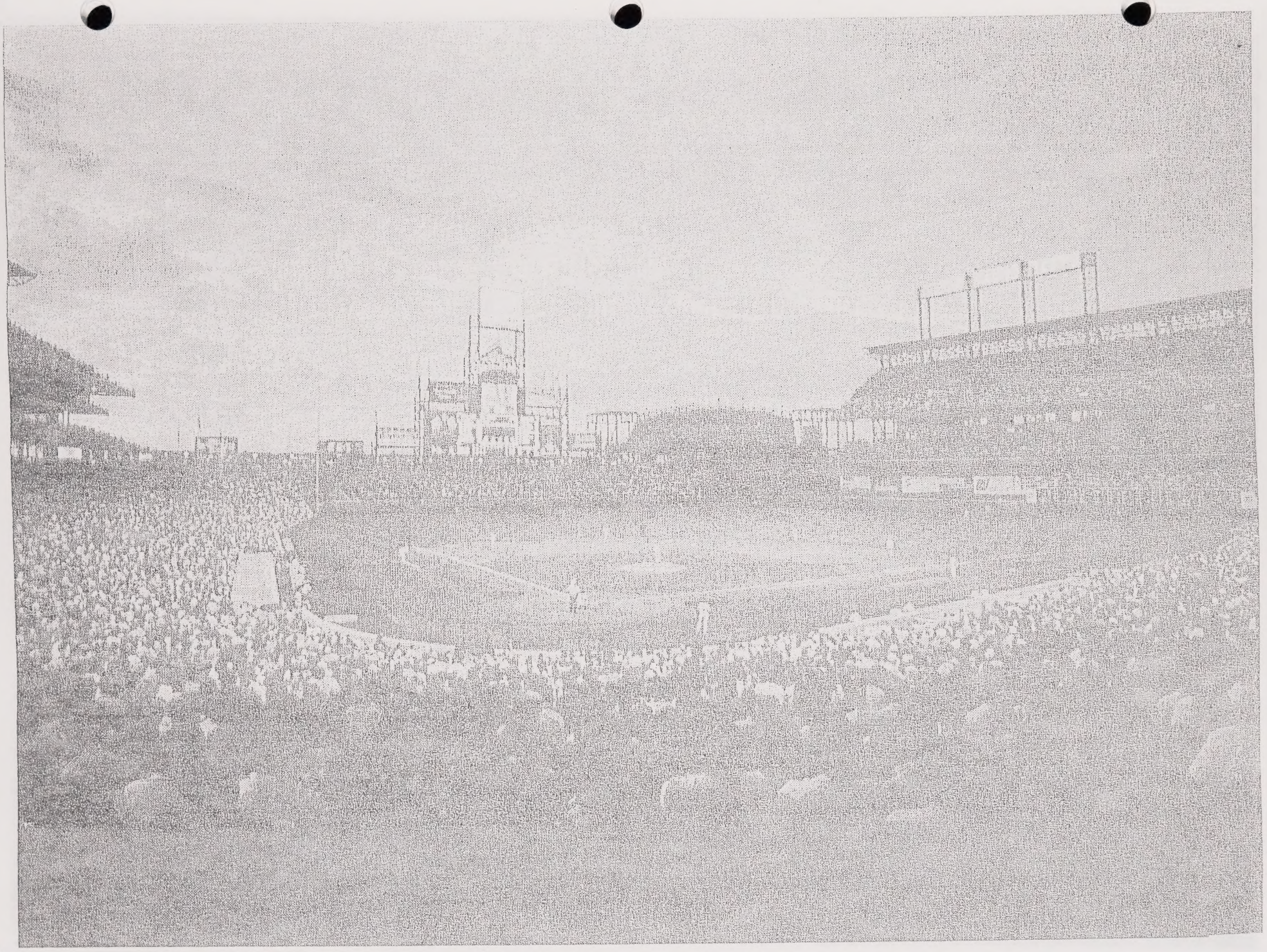
[2] Construction costs include both soft costs (consulting, engineering) and actual construction costs.

[3] Other costs includes land and infrastructure required for park construction.

[4] The appropriate inflation factor for each specific year was utilized.



For use of the Santa Clara Stadium Association. Subject to Change.



Ballpark Costs - Key Points

- Average open-air ballpark cost including construction, soft, infrastructure and land costs is approximately $298 million in 2001 dollars.

- Costs associated with retractable roof ballparks are significantly higher, costing an average of $376 million in 2001 dollars.

- On average, the public sector has paid 71 percent of ballpark costs and the private sector has paid 29 percent of ballpark costs.

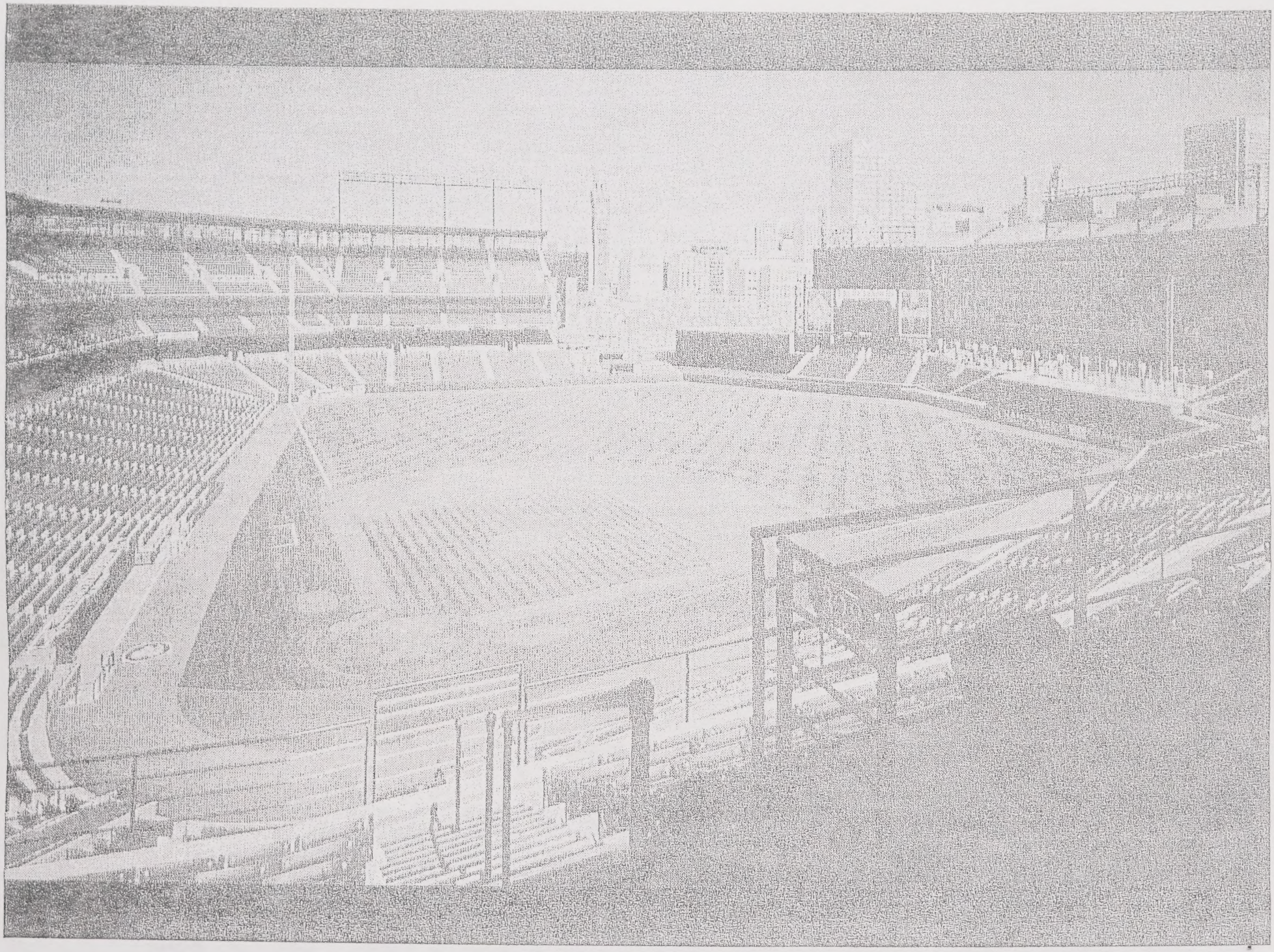
For use of the Santa Clara Stadium Association. Subject to Change.

Preliminary Ballpark Funding Sources

Sources:	
Team Payments	
Flat rent	$82,010,000(1)
Participating Fund	55,000,000
Utilities	12,500,000
Naming Rights	50,000,000
Seat Charters	60,000,000(2)
Concession build-out	15,000,000
Total	$274,510,000
Uses:	
Stadium hard/soft costs	$237,000,000
Parking structure	$20,000,000
Miscellaneous/Contingency-reserve fees	$5,000,000
Interest	$12,510,000
Total	$274,510,000

1. Based on a flat rent payment of $8 million annually. Present value based on 25 year term and 8 percent inter
2. Based on 20,000 seat charters at an average price of $3,000.

For use of the Santa Clara Stadium Association. Subject to change.



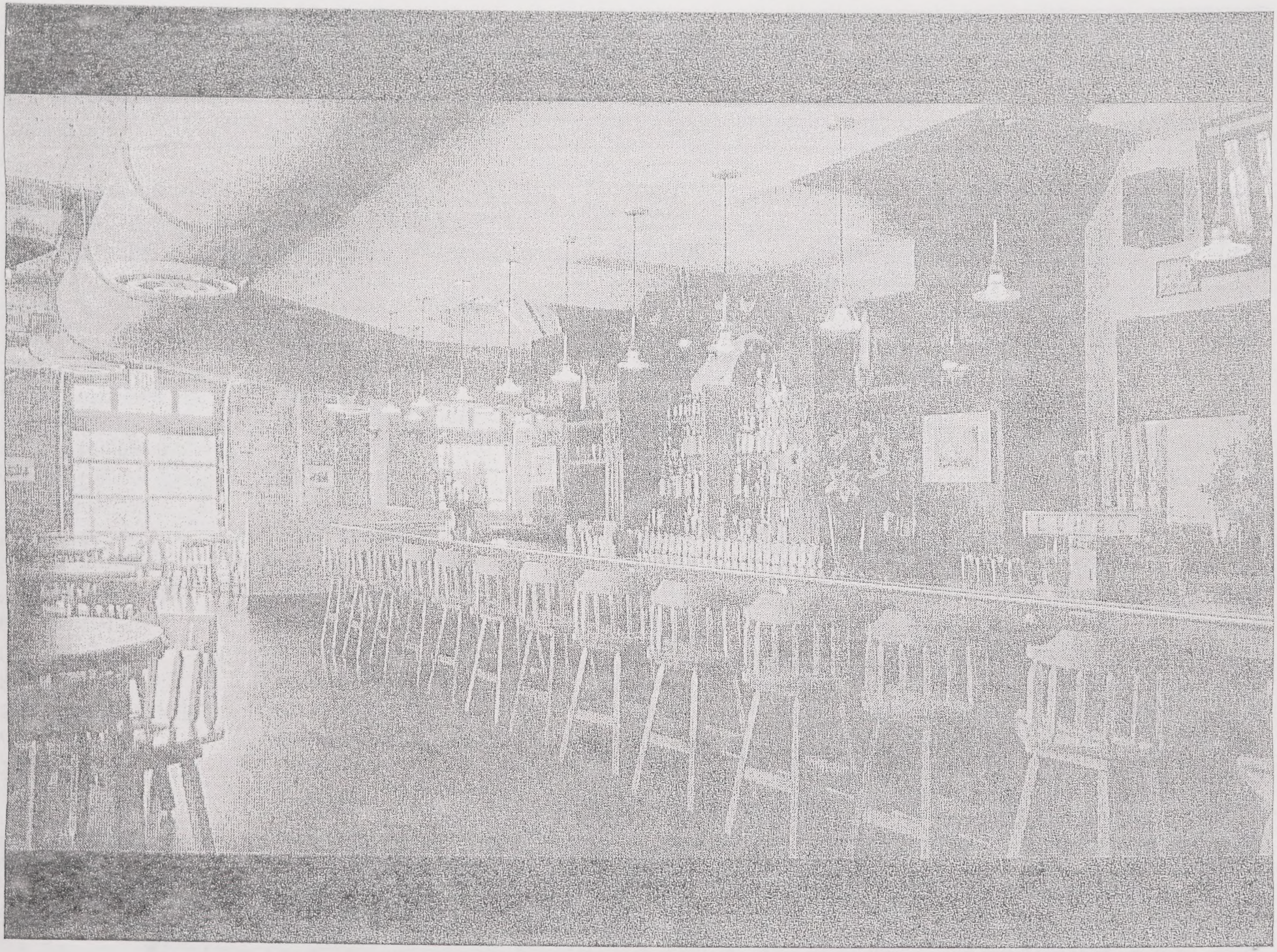
Public versus Private Financing
Recently Built MLB Ballparks ($000's)

Team	Ballpark	Year Opened	Private Contribution (Millions)	Total Ballpark Construction Cost (Millions)	% of Total
Atlanta Braves	Turner Field	1997	$260	$234	111%
San Francisco Giants	Pacific Bell Park	2000	$306	$298	103%
Minnesota Twins [1]	New Twins Ballpark	2005	$250	$290	86%
Detroit Tigers	Comerica Park	2000	$145	$225	64%
Boston Red Sox [1]	New Red Sox Ballpark	2005	$350	$590	59%
Philadelphia Phillies	New Phillies Ballpark	2004	$172	$305	56%
San Diego Padres	Ballpark for San Diego	2002	$153	$285	54%
Seattle Mariners	SAFECO Field	1999	$145	$351	41%
Houston Astros	Enron Field	2000	$88	$230	38%
Arizona Diamondbacks	Bank One Ballpark	1998	$117	$306	38%
Cleveland Indians	Jacobs Field	1994	$57	$154	37%
Florida Marlins [1, 3]	New Marlins Ballpark	2004	$139	$385	36%
Milwaukee Brewers	Miller Park	2001	$90	$250	36%
Texas Rangers	Ballpark in Arlington	1994	$48	$154	31%
Pittsburgh Pirates	PNC Park	2001	$48	$209	23%
Baltimore Orioles	Oriole Park at Camden Yards	1992	$24	$114	21%
Colorado Rockies	Coors Field	1995	$42	$216	19%
Tampa Bay Devil Rays [2]	Tropicana Field	1990,1998	$22	$166	13%
Cincinnati Reds	Great American Ballpark	2003	$28	$300	9%
Chicago White Sox	Comiskey Park	1991	$0	$170	0%
Average			$124	$262	44%

[1] Due to inavailability of the breakdown of future ballpark costs, "construction costs" for the Twins, Red Sox, and Marlins ballparks represents entire cost of the proposed new ballpark.

[2] For Tropicana Field, the amount listed under "construction costs" refers to the total construction portion of the facility, including both the original construction in 1990 (100% publicly funded), and the 1998 renovation (financed by public and private funds).

[3] Marlins' contribution is based upon the present value of a payment of $6 million per year for 40 years. In addition to this, the proposedfinancing package requires the team to collect a 4% ticket surcharge for remittal to Miami-Dade County.



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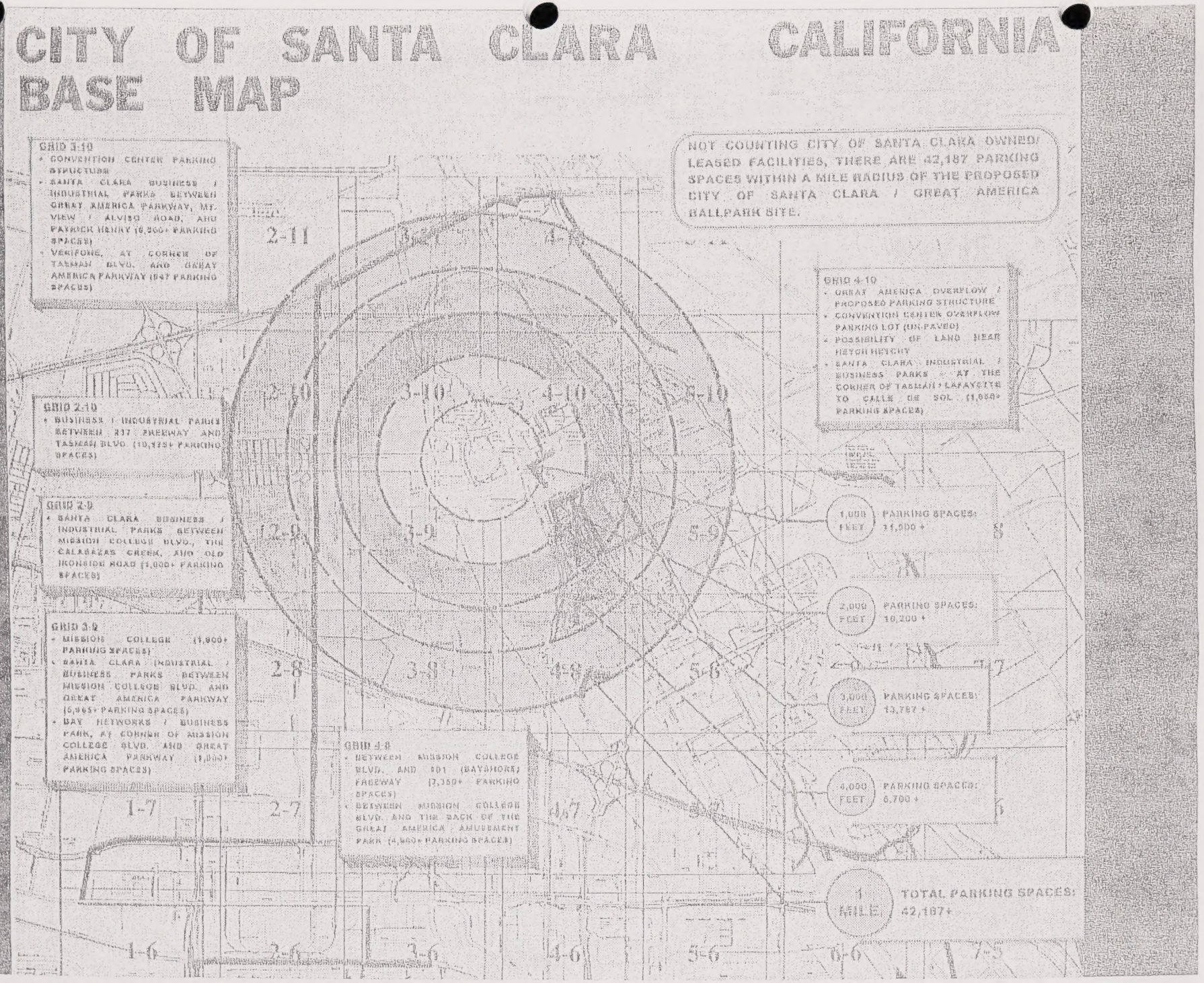
For Use of the Santa Clara Stadium Association Subject to Chamber

TECHMART
WESTIN HOTEL
SANTA CLARA CONVENTION CENTER
POTENTIAL HOTEL
SANTA CLARA SOCCER PARK
TASMAN DRIVE
PEDESTRIAN BRIDGE
POWER STATION
PARKING GARAGE
SAN FRANCISCO '49ERS PRACTICE FACILITY
SANTA CLARA HILTON
PEDESTRIAN BRIDGE
VEHICULAR BRIDGE
WEST PARKING
GREAT AMERICA PARKWAY
SOUTH PARKING
FULLER STREET PARK
NORTEL NETWORKS
GREAT AMERICA THEME PARK

CITY OF SANTA CLARA CALIFORNIA
BASE MAP



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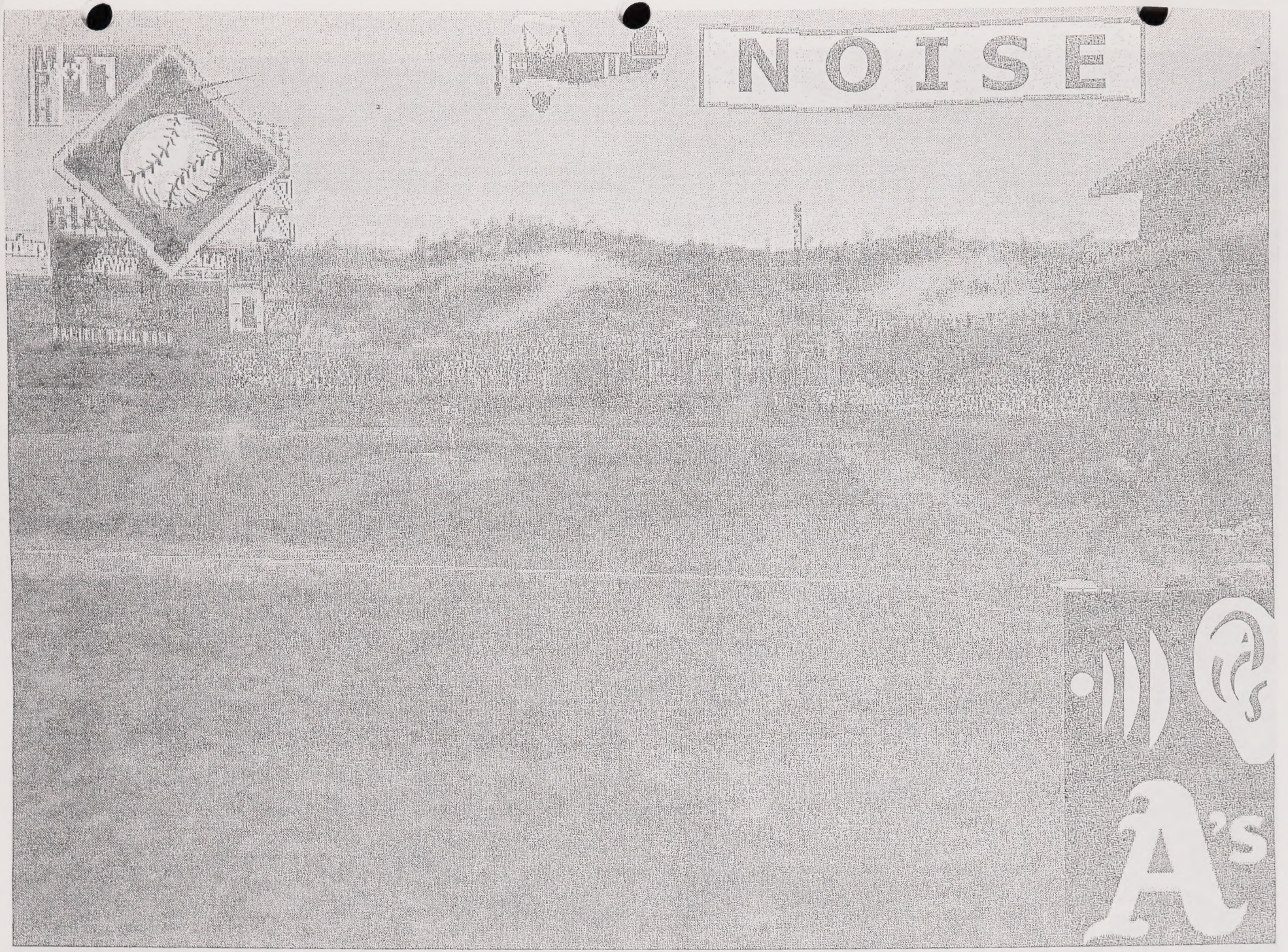
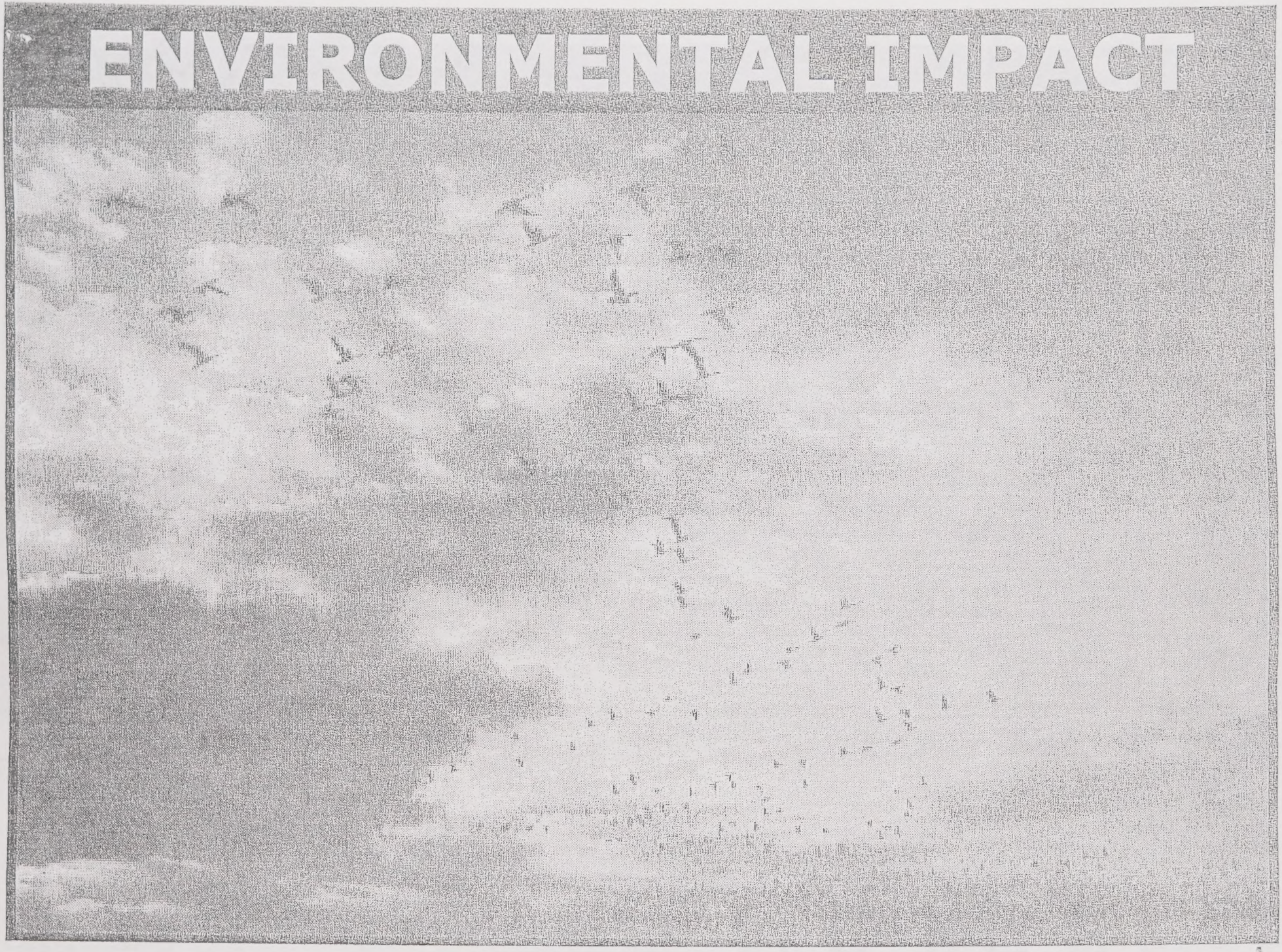
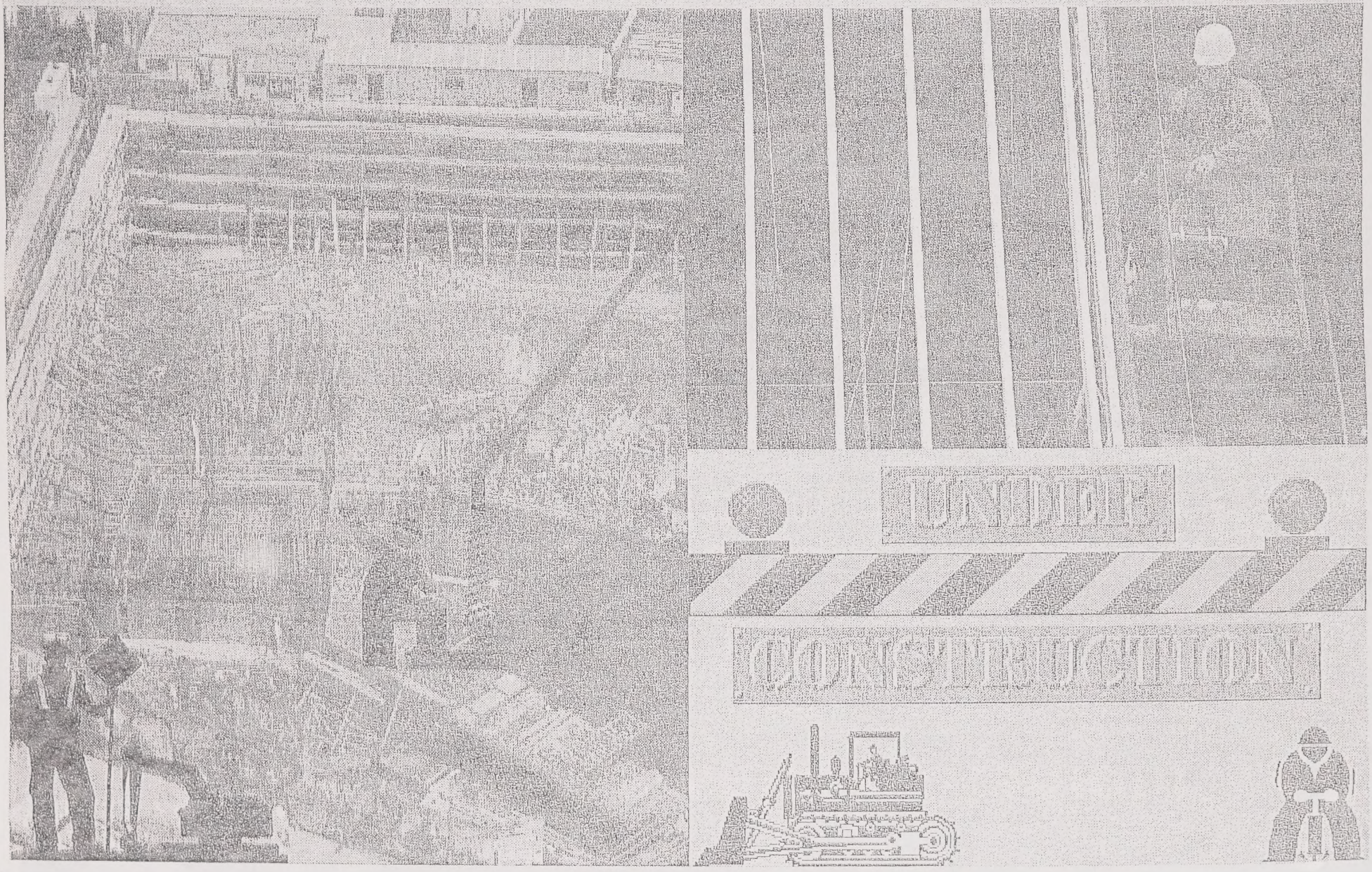
TRAFFIC STUDY


NOISE
A's

ENVIRONMENTAL IMPACT



INFRASTRUCTURE



Equity Ownership in Stadium

1. Years One (1) through Thirty-five (35) Santa Clara Stadium Association

2. For Years Thirty-six through the life of the Stadium 50% Redevelopment Agency of the City of Santa Clara and 50% to the A's parent company.

For use of the Santa Clara Stadium Association subject to Change

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For use of the Santa Clara Stadium Association Superdome Campaign

Project Time Schedule

PHASE I

Apr-01	May-01	Jun-01	Jul-01
MOU Negotiated with City and Staff			
		MOU Approved by Sclara/A's/SCSA	

Phase I	Phase II	Phase III

For use of the Santa Clara Stadium Association, Subject to Change

Project Time Schedule

PHASE II & III

Aug-01 | Nov-01 | Dec-01 | Jan-01 | Feb-02 | Mar-02 | Apr-02 | May-02 | Jun-02 | Jul-02 | Aug-02

Phase II begins
Santa Clara

Operating & Lease Finalized
SCLara/A's/SCSA

Operating & Lease Agreements
Prepared

Operating & Lease Agreements
Prepared

Subject to MLB Approved MOU
New York

Subject toTerritorial Settled
MLB

Subject toViacom Negotiations
New York

Contractor Selected
SCLara/A's/SCSA

Arch. Selection
SCLara/A's/SCSA

Plans Begin

Site Orientation
SCLara/A's/SCSA

Studies Begin
EIR/Noise/Traffic/Etc.

Phase III Begins

Naming Rights
Begins

Charter Seats
Begins

Concession Funding
Begins

Bonds Let

Construction on Super Structure

Phase I

Phase II

Phase III

For use of the Santa Clara Stadium Association, Subject to Changes

Project Time Schedule

PHASE III

Sep-02	Oct-02	Nov-02	Dec-02	Q1-2003	Q2-2003	Q3-2003	Q4-2003	Q1-2004	Q2-2004	Q3-2004

Naming Rights	Naming Rights Funds		
Charter Seats	Charter Seats	Charter Seats Completed	
Concession Funding Completed			
Construction on Super Structure			
	Finishing Work		
			Opening Day

Phase I	Phase II	Phase III

For use of the Santa Clara Stadium Association. Subject to change.

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Economic Analysis

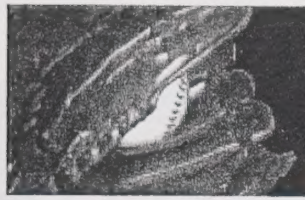
Estimated Statement of Operations – Base Scenario

	2005	2006	2007	2008	2009
Average Paid Attendance	38,000	38,000	35,000	35,000	33,000
General Admission Ticket Price	$17.00	$17.85	$18.74	$19.68	$20.66
Revenue					
Gate receipts	$58,012,000	$60,682,000	$58,691,000	$61,413,000	$60,773,000
Private suite premiums	4,680,000	4,820,000	4,965,000	5,114,000	5,267,000
Club seat premiums	3,600,000	3,708,000	3,819,000	3,934,000	4,052,000
Concessions, net	12,638,000	13,017,000	12,306,000	12,675,000	12,276,000
Novelties, net	1,279,000	1,318,000	1,250,000	1,288,000	1,250,000
Catering, net	338,000	348,000	358,000	369,000	380,000
Parking, net	2,031,000	2,091,930	2,154,687	2,219,328	2,285,908
Central Fund, net	25,000,000	25,750,000	28,623,000	30,626,000	32,770,000
Television broadcast rights	4,000,000	4,120,000	4,244,000	4,371,000	4,502,000
Cable broadcast rights	8,000,000	8,240,000	8,487,000	8,742,000	9,004,000
Radio broadcast rights	2,000,000	2,060,000	2,122,000	2,185,000	2,251,000
Licensing	2,500,000	2,575,000	2,652,000	2,732,000	2,814,000
Advertsing / sponsorships	5,000,000	5,150,000	5,305,000	5,464,000	5,628,000
Gross Revenues	129,078,000	133,879,930	134,976,687	141,132,328	143,252,908
Non-Game Revenues	100,000	103,000	106,090	109,273	112,551
Total Revenue	**129,178,000**	**133,982,930**	**135,082,777**	**141,241,601**	**143,365,459**

(1) Parking Revenues @ 9,500 spaces @ $8 for 81 games(33% of gross)

(2) $1.50 surcharges per ticket (3) 20 year 7 3/4% rate (4) Possible Reduction in Capital Expenses

For use of the Santa Clara Stadium Association. Subject to Change.



Economic Analysis

Estimated Statement of Operations – Base Scenario

	2005	2006	2007	2008	2009
Expenses					
Major league	72,500,000	76,000,000	76,000,000	80,000,000	81,000,000
Minor and instructional league	7,000,000	7,200,000	7,400,000	7,600,000	7,900,000
Scouting	8,000,000	8,200,000	8,500,000	8,700,000	9,000,000
Business operations	6,000,000	6,200,000	6,400,000	6,600,000	6,800,000
Administration	10,000,000	10,300,000	10,600,000	10,900,000	11,300,000
Stadium operations / game day	10,000,000	10,300,000	10,600,000	10,900,000	11,300,000
Rent	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Ticket surcharge allocated to Capital Reserve	3,230,000	2,270,000	0	0	0
Ticket surcharge allocated to Redevelopment Agency	0	0	3,230,000	3,230,000	3,230,000
Ticket surcharge allocated to SCSA[2]	1,615,000	2,575,000	1,615,000	1,615,000	1,615,000
Possessor Int.	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
Utility Charge[(3) (4)]	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Naming offset	-1,666,666	-1,666,666	-1,666,666	-1,666,666	-1,666,666
Total Expenses	127,128,334	131,864,334	133,201,414	138,439,606	141,078,945
Net Operating Income	**$2,049,666**	**$2,118,596**	**$1,881,363**	**$2,801,995**	**$2,286,514**
Net Cash Flow	**$2,049,666**	**$2,118,596**	**$1,881,363**	**$2,801,995**	**$2,286,514**

(1) Parking Revenues @ 9,500 spaces @ $8 for 81 games(33% of gross)

(2) $1.50 surcharges per ticket (3) 20 year 7 3/4% rate (4) Possible Reduction in Capital Expenses

For use of the Santa Clara Stadium Association. Subject to Change.

SANTA CLARA STADIUM
"Confidential"

PROJECT MANAGEMENT INFORMATION

DATE	4/15/01
PROJECT LOCATIO	Tasman @ Great America
DEVELOPER	Santa Clara Stadium Authority
VERSION	3

LAND & BUILDING

NET USABLE ACRE	20
SQUARE FOOTAGE	871200
SEAT NUMBER	45,000
CHARTER SEATS	20000
NUMBER OF PARKING SPACES	4500

SCHEDULES

Phase II Approval	
Phase III Approval	
CONSTRUCTION START	
SHELL COMPLETION	
OPENING DAY	4/1/05

HARD COSTS		
	45,000 SEAT STADIUM	$180,000,000
	PLANS $ FEES	$9,000,000
	PRE- ADMINISTRATIVE COSTS	$500,000
	UTILITY COSTS	$12,500,000
	PARKING STRUCTURE	$20,000,000
	PEOPLE MOVER	$5,000,000
	OFF SITE IMPROVEMENTS	$20,000,000
	ON SITE IMPROVEMENTS	$10,000,000
	MISC. FEES	$5,000,000
	TOTAL HARD COSTS	$262,000,000

SANTA CLARA STADIUM

STRUCTURE COSTS	Amount	
Stadium	$189,000,000	
Misc. Fees	5,000,000	
Sub. Total	$194,000,000	74.05%

OFF SITE FUNDS		
Parking Structure	$20,000,000	
People Mover	$5,000,000	
On & Off Site Imp.	$30,000,000	
Sub Total	$55,000,000	20.99%

UTILITY COSTS		
Electrical	$10,000,000	
Water & Sewer	$2,500,000	
Sub. Total	$12,500,000	4.77%

DEVELOPMENT COSTS (Soft)		
Architect	100000	
Price Studies	200000	
Noise Study	25000	
EIR Study	50000	
Traffic Study	50000	
Site Studies	40000	
Bond Study	35000	
Sub. Total	500000	0.191%

Total Hard Costs	261500000	
Total Soft Costs	500000	
GRAND TOTAL	**$262,000,000**	100%

FUNDING CHART
Redevelopment Funds

Parking	$20,000,000	Convention Center
People Mover	$5,000,000	Convention Center
On & Off Sites	$30,000,000	

Utility Funds

Electrical	$10,000,000
Water & Sewer	$2,500,000
Misc.	$0

Capital Cash Sources

Naming Rights Cash	$50,000,000	Deferred	$50,000,000
Seating Rights	$60,000,000	Amortized @ 30 years	
Concession	$15,000,000		
Summary Total	$192,500,000		
Loan Balance Summary	$69,500,000		
Interest Carry	$12,510,000	24 months	9%
Total Loan Amount	$82,010,000	$274,510,000	Total Costs

BOND AMOUNT

Loan amount:	$82,010,000
Annual interest rate:	7.75%
Term in years:	30
Payments per year:	12
First payment due:	4/1/04

TABLE DATA

Table starts at date:	
or at payment number:	1

PERIODIC PAYMENT

Entered payment:	
Calculated payment:	$587,529.68

CALCULATIONS

Use payment of:	$587,529.68	Beginning balance at payment 1:	82,010,000
1st payment in table:	1	Cumulative interest prior to payment 1:	0.00

Table

No.	Payment Date	Beginning Balance	Interest	Principal	Ending Balance	Cumulative Interest
1	4/1/04	82,010,000	529,648	57,882	81,952,118	529,648

Annual Payment		$7,050,356.19
Long Term Revenue (Naming)	$1,666,666.0	
Revised Debt Service		$5,383,690.19

INCOME Analysis

ITEM	YEAR 1	2	3	4	5
Attendance	38000	38000	35000	35000	33000
Gross Revenue	$129,078,000	$133,879,930	$134,976,687	$141,132,328	$143,252,908
Non-Game Revenue	$100,000	$103,000	$106,090	$109,273	$112,551
Total Revenue	$129,178,000	$133,982,930	$135,082,777	$141,241,601	$143,365,459
Major League	72,500,000	76,000,000	76,000,000	80,000,000	81,000,000
Minor League	7,000,000	7,200,000	7,400,000	7,600,000	7,900,000
Scouting	8,000,000	8,200,000	8,500,000	8,700,000	9,000,000
Business Operation	6,000,000	6,200,000	6,400,000	6,600,000	6,800,000
Administration	10,000,000	10,300,000	10,600,000	10,900,000	11,300,000
Stadium/Game day	10,000,000	10,300,000	10,600,000	10,900,000	11,300,000
Rent Debt service	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Possessor Int.	1,200,000	1,236,000	1,273,080	1,311,272	1,350,611
SCSA Surcharge(2)	4,845,000	4,845,000	4,845,000	4,845,000	4,845,000
Utility Charge(3)(4)	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Naming offset	-1,666,666	-1,666,666	-1,666,666	-1,666,666	-1,666,666
Total Oper. Expense	$127,128,334	$131,864,334	$133,201,414	$138,439,606	$141,078,945
Net Income	$2,049,666	$2,118,596	$1,881,363	$2,801,994	$2,286,514
	$0	$0	$0	$0	$0
TOTALS	$2,049,666	$2,118,596	$1,881,363	$2,801,994	$2,286,514

Deal Points

No General Fund Monies from City of Santa Clara
No Election
Redevelopment Funds for Parking Structure
Redevelopment Funds for People Mover
Redevelopment Funds for On & Off Site Improvements
Posible City participation for Utilities
City to differ revenues for two years to establish Capital fund.

(1) Parking Revenues @ 9,500 spaces @ $8 for 81 games(33% of gross)
(2) $1.50 surcharges per ticket
(3) 20 year 7 3/4% rate
(4) Possible Reduction in Capital Expenses

NOTE: This information is highly confidential and is for the private review of the staff of the City of Santa Clara and for public officials of the City of Santa Clara ONLY. Unauthorized release of this information is strictly prohibited.

A's/Stadium3.doc

DRAFT

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PO Box 2905, Saratoga, California, 95070
(408) 867-7600 fax 867-1354
E-mail ghansen@btcommercial.com

M * E * M * O * R * A * N * D * U * M

August 7, 2000

TO: SCSA Board of Directors

FROM: Gary E. Hansen

RE:

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SANTA CLARA),
REDEVELOPMENT AGENCY (AGENCY),,
AND
SANTA CLARA STADIUM ASSOCIATION (SCSA)
A'S L.P. (A's),
CONSTRUCTION OF A BASEBALL PARK, WITHIN A
REDEVELOPMENT PROJECT

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Section One

Memorandum of Understanding

I. PURPOSE AND INTENT

The purpose and intent of this Memorandum of Understanding (MOU) is to provide for the construction of a Ballpark within the Redevelopment Project within the City of Santa Clara, all within an underutilized area of **Great America in Santa Clara**. It is the intent of the Parties that this MOU and its authorizing resolution which are being voted on by the AGENCY and constitute the only legislative acts necessary to establish policy for the Agency and City of Santa Clara on these matters, and provide the ways and means for the implementation of that policy by such administrative and non-legislative acts as may be necessary and appropriate to carry out the purpose and intent provided for herein.

It is the further intent of the Parties that this MOU not provide for entitlements in land or development, such entitlements being the subject of other actions by permits to be sought at later times. It is also the intent of the Parties that the requirements of all governmental agencies be fully complied with in the implementation of the matters set forth in this MOU. The Parties intend that the planning, development and construction of the projects set forth in this MOU be a cooperative, mutual endeavor in which the Parties actively participate and work together, in good faith and with due diligence – as a private/public partnership.

II. DEFINITIONS

"A's" means A's L.P.

"A's' Games and Events" means those events conducted by the A's as set forth in Section XXII.A.

"SCSA Private Investment" means the investment or contribution of private persons or entities, including the A's, towards the Ballpark Project, as set forth in Section XVIII of this MOU.

"Agency" means the Redevelopment Agency of the City of Santa Clara.

"Agency Council" means the Santa Clara Agency Board.

"Agency Investment" means the investment of the Agency towards the Ballpark Project as set forth in Section _____, which may include any monies obtained from other public sources, except as set forth in this MOU.

"Agency Investment" means the investment of Agency and SCSA funds towards the Ballpark Project as set forth in Section XV.

"Ballpark" means an open-air, natural grass, state-of-the-art baseball facility, with multiple uses, and with approximately 45,000 seats and the Outfield Park, to be constructed in the District, and consisting of the ballpark structure itself, all fixtures and systems, the Outfield Park, and the grounds and walkways immediately surrounding the ballpark structure. It does not include fee title to the Land, which is owned by the AGENCY.

"Ballpark Estimate" means an estimate of the total cost for the development and construction of the Ballpark, including all hard and soft costs but not including any Land Leasing Costs, Parking Facilities costs or Infrastructure costs.

"Ballpark Project" means the Ballpark, Infrastructure and Parking Facilities.

"Ballpark Project Estimate" means an estimate of the total cost for the development and construction of the Ballpark Project.

"Bond Counsel Review" means an opinion by bond counsel retained by the Agency at no expense to the A's, as to whether an action proposed by the A's would cause the securities , if any, issued by the Agency not to qualify for tax-exempt status under federal law, such opinion to be rendered within ten (10) business days after notification by the A's to the Agency of the acceptance of the Lease Agreement.

"Capital Expenditure" means the cost of all labor and materials reasonably required to construct, repair, restore or replace any structural components, systems components or integral parts of the Ballpark, which would customarily be treated as a capital item for federal income tax purposes. By way of example only and not as a limitation: structural components include all foundations, structural members, piers, walls, roofs and ramps; systems components include scoring systems, video boards, heating, ventilating, air conditioning, plumbing, electrical, gas and water systems, escalators and elevators; integral parts include the Public Parking Facilities.

"Capital Expenditure Reserve Fund" means the fund established for Capital Expenditures as set forth in Section XXII

"Concession Rights" means the contractual right to sell any kind of food, beverage or novelties at the Ballpark.

"C.P.I." means the San Francisco Consumer Price Index for all urban consumers (CPI-U).

"Design & Construction Fund" means the fund described in Section XX.

"Final Ballpark Program" means the program for the Ballpark as set forth in Section VII.

"Final Completion of the Ballpark Project" means that the Ballpark Project is ready for the playing and public exhibition of Major League Baseball.

"Force Majeure Event" means any of the following events which prevents a party from performing any obligation under this MOU: any act of God, strike, lockout or other industrial disturbance during the development or construction only of the Ballpark Project, but not including a strike or lockout by Major League Baseball players or umpires; act of public enemy, blockade, war, insurrection, civil disturbance, explosion or riot; epidemic; landslide, earthquake, fire, storm, flood, or washout; any act of God, strike, lockout or other industrial disturbance, including a strike or lockout by Major League Baseball players or umpires (except as expressly provided above; governmental restraint, action or inaction, either federal, state, county, civil or military, including the adoption of any new law materially affecting either the ability of the Parties to proceed or the costs of proceeding (but not including any Agency laws or ordinances); and failure to obtain any necessary federal, state or county governmental approval.

"Incremental Ballpark Expenses" means specific event related expenses for the respective operations of SCSA Events, and A's Games and Events at the Ballpark, as set forth in Section XXII.D.
"Infrastructure" means roads, sidewalks, other public facilities, and public utilities related to the Ballpark and Parking Facilities, as listed and set forth in Exhibit A.

"Infrastructure Estimate" means an estimate of the total cost for the development and construction of Infrastructure but not including any Land Leasing Costs.

"Joint Ballpark Ownership Expenses" means the shared expense between the SCSA and the A's of owning and managing the Ballpark, as set forth in Section XXII.C.

"Land Leasing Costs" means the full cost of all land to lease for the Ballpark Project, as set forth and described in Exhibit B, either by fee simple title or other control, and either through negotiated, including the cost of legal proceedings in creating the lease, and compensation for relocation, goodwill, fixtures, equipment and related costs.

"Land Lease" means an estimate of Land Lease Costs between the AGENCY and SCSA and SCSA and the A's.

"Major Change Order" means any change order exceeding $750,000 or resulting in a significant programmatic deviation from the Final Baseline Ballpark Program.

MOU means this Memorandum of Understanding.

"Naming Rights" means the contractual right to have a name associated with the Ballpark Project, whether for the Ballpark and/or Ballpark Project as a whole or for specific areas within the Ballpark and/or Ballpark Project.

"Opening Date" means the first scheduled home game of the 2004 American League Championship Season (or any exhibition game occurring no more than two weeks prior thereto), or such earlier date as is possible and mutually determined by the A's and the SCSA.

"Outfield Park" means a park-like area, suitable for picnics and observing events in the Ballpark.

"Parking Facilities" means a combination of surface and structured parking facilities constructed and configured to provide at least 10,000 revenue-controlled parking spaces to serve patrons of the Ballpark, as listed and set forth in Exhibit B.

"Parking Facilities Estimate" means an estimate of the total cost for the development and construction of the Parking Facilities, but not including any Land Leasing Costs.

"Party" or "Parties" means a party or the parties, respectively, to this MOU.

"Phase 1 Parking Facilities" means the approximately 4,500 parking stalls which the Agency will provide the improvements as part of the Infrastructure Estimate) provided for A's or the SCSA as part of Phase 3, as described in Exhibit B.

"Public Parking Facilities" means Parking Facilities not including Phase 1 Parking Facilities, as described in Exhibit B.

"Redevelopment Agency Ballpark Project" means that project and area, and its associated plan, established by the Agency Council to construct a Parking Facility and infrastructure needed to provide "Utilities" to the subject site.

"Redevelopment Agency Ballpark Plan" means the plan for the Agency Redevelopment Project.

"SCSA Events" means those events conducted by the SCSA (including Agency-sponsored 3rd party events) as set forth in Section XXII.A.

"SCSA" means the Santa Clara Stadium Association & Authority.

"SCSA" means the master SCSA for Phase 2 & 3 selected by the SCSA and reasonably acceptable to the Agency and A's.

"SCSA Rights Fees" means any fees paid by a private SCSA in consideration for the opportunity to participate in Phase 2 & 3.

"Stabilization Reserve Fund" means the fund described in Section XXXIV and Exhibit F.

"Substantial Completion of the Ballpark Project" means that the SCSA & A's' offices, clubhouse and other exclusive spaces are ready for occupancy, and that all other areas of the Ballpark Project have been finished to the SCSA and A's' reasonable satisfaction, subject only to contractors' punch lists.

"Transient Occupancy Taxes" means taxes paid by users of hotel and motel rooms within the Agency, as more fully set forth in Santa Clara Municipal Code.

"Value Engineering" means a process of reviewing the program, design, plans and specifications for the Ballpark Project for the purpose of reducing costs wherever possible.

Section Three

III. EFFECTIVE DATE AND TERMINATION

The Agency Director/Manager shall be directed and authorized to sign this MOU on behalf of the Agency on the Certification Date. By its signature on this MOU, the A's irrevocably accept the terms of this MOU and agree to be bound by it if the Certification Date occurs, in which case the Agency Director/Manager, and SCSA shall execute and deliver this MOU to the A's. This MOU shall become effective upon its execution by all Parties and, unless otherwise agreed to in writing by the Parties, shall expire on March 31, 2002, unless the Conditions Subsequent set forth in Section XXXIII are satisfied, in which case this MOU shall continue in force and effect for the same term as any lease or other agreement for the use and occupancy of the Ballpark entered into between the Agency, SCSA and the A's pursuant to this MOU.

With these signatures to the MOU , the A's and SCSA have completed Phase I of their initial negotiations and have agreed in principal to the conditions of this MOU. These agreements include:

a. the A's will negotiate in good faith only with the SCSA and the Agency for a 6 month duration to finalize the "Lease" and subsequent agreements to build a Stadium in Santa Clara within the guidelines of this MOU.
b. This MOU is subject to final approval of the "Lease" and all agreements by the Commissioner of Major League Baseball within 6 moths of this MOU's effective date.
c. The MOU is subject to acceptable leases regarding the land for the stadium between the Agency and Great America Lessee.
d. The MOU is subject to Agency Legal Council approval for the issuance of bonds for this project and the approval of the Redevelopment District of Santa Clara to participate and construct a Stadium.

Section Four

IV. BALLPARK AREA

The Ballpark area is to be located within the already established Redevelopment District Project.

Section Five

V. SUMMARY OF BALLPARK PROJECT COSTS AND FUNDING

The following is a summary only of the Ballpark Project costs estimates and funding:

1. Costs:

Ballpark	$217,000,000
Infrastructure	$45,000,000
Total	**$262,000,000**

2. Funding:

Ballpark:	
SCSA (Licenses)	$ 60,000,000
SCSA (Naming Rights)	$100,000,000
Sub Total	$160,000,000
Redevelopment Funds	$ 55,000,000
Bond	$ 67,500,000
Other	$ 12,500,000
Total	**$262,000,000**

For Additional Detail
See Exhibit A

Section Six

VI. BALLPARK PROJECT

The Ballpark Project shall be planned and constructed within the District. Subject to the approvals of the Agency and Agency as required by law, the precise location, orientation, footprint and configuration of the Ballpark Project within this District will be determined by the Agency and A's. Any future changes made by the Agency in the boundaries of the District shall not materially affect either the Ballpark Project or Phase 1 without the mutual consent of the Agency and A's. The A's and the Agency shall collaborate in the planning of the Ballpark Project. The Agency and the Agency shall be responsible for the adoption of the plans and other legal documents, and the undertaking of the administrative acts within their respective jurisdictions necessary to facilitate construction of the Ballpark Project, as more fully set forth in this MOU.
Phase II of the Ballpark Project Estimate shall not exceed $500,000. The ability of the Parties to proceed with the Ballpark Project is specifically contingent upon funds in the amount of the Ballpark Project Estimate being secured as more fully set forth in this MOU.

Section Seven

VII. BALLPARK

The Ballpark shall be constructed within the existing Redevelopment Agency boundaries. The SCSA and A's or its agents shall be responsible for the design and construction of the Ballpark, including the selection of architects, contractors and project/construction managers. The Ballpark shall be designed in all its aspects for the playing and public exhibition of Major League Baseball in accordance with plans, designs, and programs approved by the SCSA and the A's, and developed by or at the direction of SCSA and the A's; provided, however, that the Agency, and SCSA shall have the opportunity to collaboratively participate in the design of the Ballpark, and that the development of the Ballpark shall be subject only to the approvals of the Agency as required by law.

The SCSA and the A's will be jointly responsible for developing all plans, designs, schemes, drawings and programs for the construction of the Ballpark, but the Agency shall have the right to participate in the planning process. The SCSA and the A's shall have final approval of the program, design, plans, specifications and timetable for construction of the Ballpark and shall provide to the Agency a complete set of all documents evidencing and comprising the Final Baseline Ballpark Program. The Agency shall have the right to further review and comment on the Final Baseline Ballpark Program, and will provide any recommendations to the SCSA and the A's within 30 days of completion of Phase II.

The Ballpark Estimate shall not exceed $262,000,000. SCSA and A's shall be solely responsible for any and all development and construction costs for the Ballpark exceeding the Ballpark Estimate. Any change orders to the Final Baseline Ballpark Program during Ballpark construction shall be subject to SCSA and the A's' approval. Except for any change orders that cause the cost of the Ballpark to exceed, or that are made once the cost of the Ballpark exceeds, the Ballpark Estimate (which excess cost shall be paid by the A's), any Major Change Order shall be subject to the Agency's approval, which will not be unreasonably withheld and which will be given, or presumed, within five (5) business days after written notice to the Agency of the Major Change Order. Once funds for Ballpark construction have been committed in the amount of $160,000,000, no such Agency approval will be required if the change order is deemed necessary to stay within the Ballpark Estimate, provided such change order does not result in a material adverse impact on the Ballpark and on the fan's experience at the Ballpark

The Opening Date shall be in the spring of 2004. Notwithstanding the foregoing, but subject to the other terms and conditions of this MOU, the Parties shall work cooperatively and use their best, good faith efforts to accomplish the construction of the Ballpark so that the Ballpark may be open as early as possible. The A's, Agency and SCSA shall each have no liability to the other Parties for failure to meet the Opening Date, provided they proceed with due diligence and in good faith, and meet their respective obligations regarding

the Leasing of land and completion of infrastructure for the Ballpark Project as set forth in Sections IX and XI.

Section Eight

VIII. CONSTRUCTION ARRANGEMENTS FOR THE BALLPARK PROJECT

The SCSA and the A's will select the architect, general contractor and project/construction manager for the Ballpark and Phase 1 Parking Facilities. The Agency or SCSA will select the architect, general contractor and construction manager for its Infrastructure and the Public Parking Facilities. The Agency or SCSA may elect to use for the construction of Infrastructure and Parking Facilities (to the extent the Agency is responsible for the construction of such Facilities) the architects and general contractors selected by the A's. Subject to compliance with applicable law, the Parties will make these selections in order to meet the schedule set forth in Exhibit E.

The Parties will provide each other with monthly progress reports and budget comparison statements throughout the Land Leasing, Infrastructure and Ballpark construction process, and shall meet at least monthly to ensure that the Ballpark Project is on schedule and within budget. SCSA may retain whatever construction expertise they require in connection with the Infrastructure improvements, and the Agency and SCSA may retain whatever construction expertise they require in connection with the Ballpark Project. The Parties will ensure that their contractors work together cooperatively.

Section Nine

IX. LAND LEASE COSTS

Subject to the cap set forth in Section XII, and except for the costs to be paid as part of the SCSA Private Investment, the Agency shall be responsible for all Land Leasing Costs (if any), using monies available for the Ballpark Project as set forth in this MOU, and for making the land available for the construction of the Ballpark within such time that the Ballpark may be open by the Opening Date. Except as otherwise expressly provided in this MOU, SCSA and the A's shall not be responsible, either directly or as guarantor, for any Land Leasing Costs.

The Parties acknowledge that it is desirable that the land necessary for the construction of the Ballpark Project is owned by the Agency, and the Parties shall work cooperatively and in good faith to so lease such land to SCSA

The Agency and SCSA will continue to perform the services necessary to expedite the Land Lease, entitlement process and design of the Ballpark and Phase 1, including (a) performing all site due diligence necessary to complete the EIR, complete the relocation plan and complete the environmental studies necessary for Phase 2, (b) preparing the District and Ballpark boundary survey and description, including preparing a base map to be used by the Ballpark design team prior to the start of schematic design, (c) engaging a design/consulting team to design and plan the utility relocations and public roadway improvements

Nothing in this MOU shall require the Agency or SCSA to incur any expense or obligation (except as expressly provided below) in connection with Land Lease Costs under this Section unless and until all the following have occurred:

A. The Agency and SCSA have obtained funds from their financing of choice (i.e. lease revenue bonds, certificates of participation, or other) to meet their respective investment obligations for the Projects Costs, and all applicable statute of limitations for bringing any adverse action challenging the financing have passed, or a bridge loan or other interim financing is obtained in an amount sufficient for the Agency and SCSA to meet their respective investment obligations for Land Lease Costs (which such Parties will use their best efforts to obtain) until such time as funds from their financing of choice are obtained.

B. The A's have provided the security for the SCSA Private Investment as set forth in Section XVIII.

C. The Agency receives sufficient assurances from SCSA and the A's and/or others that Phase will proceed and have the potential to generate the required new revenue to finance the Ballpark.

Section Ten

X. PARKING

Subject to the cap set forth in Section XII, the Agency or SCSA shall be responsible for all costs incurred in connection with the development and construction of the Parking Facilities, except for those costs to be paid by the SCSA for the Phase 3 (ground level) Parking Facilities. Except as otherwise expressly provided herein, the A's shall not be responsible, either directly or as guarantor, for the development or construction of the Public Parking Facilities. The design, configuration and operation of the Parking Facilities shall be subject to the A's' reasonable approval. For the duration of the Ballpark occupancy agreement, the Public Parking Facilities shall accept validation, for 2 hours, at no cost to the A's and/or their customers and/or patrons, to accommodate visitors to the A's' offices and purchasers of A's' merchandise and advance tickets. In addition, for the first 15 years of the Ballpark occupancy agreement, Lot P1 of the Public Parking Facilities shall accept validation, for 3 hours, at no cost to the A's, the SCSA, the Phase 3 retail tenants and/or their customers and/or patrons, to accommodate customers and patrons of the retail portions of Phase 3.

Subject to Bond Counsel Review, the SCSA shall be responsible for selecting and contracting with any third-party operator(s) engaged to operate the Parking Facilities year-round. Any fee paid by such parking operator(s) for the right to operate the Parking Facilities shall be retained by SCSA and a net portion to the A's for all game day revenue.

Subject to Bond Counsel Review, any amounts invested by a parking operator in the construction, installation or equipping of the Public Parking Facilities may be applied on a dollar-for-dollar basis toward the satisfaction of the SCSA obligation.

The A's shall establish all prices for parking at the Parking Facilities during A's' Games and Events. The SCSA shall establish all prices for parking at the Public Parking Facilities during SCSA Events.

The SCSA shall cause the Public Parking Facilities to be open to the public for general parking at non-event times, at competitive prices established by the Agency.

All expenses associated with the operation of the Public Parking Facilities, including all fees and expenses owed to the parking operator, shall be paid out of the gross revenue from the Public Parking Facilities. The contract with the parking operator shall provide that any expenses that exceed revenue are the parking operator's sole responsibility.

Net revenue from the operation of the Public Parking Facilities (i.e. gross revenue less all fees and operating expenses incurred in compliance with the parking operator's agreement) shall be shared, with the SCSA retaining such revenue from SCSA Events (on a net basis, after payment of all Incremental Ballpark Expenses for such events), Agency retaining such revenue from Agency Events (on a net basis, after payment of all Incremental Ballpark Expenses for such events), and the A's retaining such revenue from A's' Games and Events. Parking revenue generated through any use of the Phase 1 Parking Facilities shall be retained by SCSA.

Section Eleven

XI. INFRASTRUCTURE

Subject to the cap set forth in Section XII, the Agency and SCSA shall be responsible for the planning and construction of, and all costs for, Infrastructure, as defined and set forth in Exhibit A; provided, however, that the Agency utilities shall be responsible for making certain Infrastructure improvements (i.e., dry utility relocation) that are included within the SCSA Private Investment. The Agency agrees to work with the SCSA to take all steps necessary to provide that the Agency utilities will relocate their respective systems and pay all costs therefor. In the event that such costs exceed the amount allocated for such costs on Exhibit A, and the private franchise utilities pay for the full amount of such costs, the Ballpark Project Estimate and

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the SCSA Private Investment shall each be increased by the amount of such excess. In the event that such costs are less than the amount allocated for such costs on Exhibit A, and the Agency utilities pay for the full amount of such costs, the Ballpark Project Estimate and the SCSA Private Investment shall each be reduced by the amount of such difference. In the event the amount of costs paid by the Agency utilities is less than the total amount of such costs, such difference shall (a) be paid for out of the SCSA Private Investment to the extent that the total amount of such costs is less than the amount allocated for such costs on Exhibit A and (b) be treated in the same manner as the other Infrastructure costs to the extent that the total amount of such costs exceeds the total amount allocated for such costs on Exhibit A. Except as otherwise expressly provided herein, the A's shall not be responsible, either directly or as guarantor, for any Infrastructure. The Agency may contract with any entity for the construction of Infrastructure and may use a guaranteed maximum price contract.

The Agency shall be responsible for all Infrastructure costs to parking and non-stadium costs associated with the Ballpark. Those costs shall be described in Exhibit A and made a part of this agreement.

Section Twelve

XII. CAP ON EXPENSES FOR INFRASTRUCTURE

The total of the Infrastructure Estimate shall be provided in Exhibit B. Except as specifically provided in this MOU, the Agency shall collectively not be required to spend more than $35,000,000 (Est.) for Infrastructure costs. If actual costs will exceed this cap, the Agency, SCSA and A's shall endeavor cooperatively to locate additional funding. If actual costs are less than this cap, the Agency shall retain such savings. Notwithstanding the cap on the total cost of Infrastructure set forth in this Section, the Agency shall be obligated to provide the Parking.

Section Thirteen

XIII. PREPARATION OF ESTIMATES

On or before January 1, 2001, the A's will develop and submit to the Agency the Ballpark Estimate. On or before January 1, 2001, the Agency or SCSA will develop and submit to the A's the Infrastructure and Land Leasing Estimates, and estimate for the Public Parking Facilities. Prior to the establishment of these estimates, the program, design, plans and specifications for the Ballpark and the Infrastructure, Land Leasing and Public Parking Facilities shall have been Value Engineered by the Agency and A's.

Section Fourteen

XIV. TIMETABLE FOR DEVELOPMENT AND CONSTRUCTION

Subject to all other provisions of this MOU, the general target timetable for the development and construction of the Ballpark Project shall be as set forth in Exhibit E, which may be amended by mutual agreement of the Parties from time to time as more details are developed.

Section Fifteen

XV. AGENCY INVESTMENT

Subject to the other provisions of this MOU, the Agency shall provide not more than $_____ towards the construction of the Ballpark Project. These funds shall be provided based upon the financing of the Agency's choice (i.e., lease revenue bonds, certificates of participation, or other). The Agency shall determine in its sole discretion the sources of revenue to support its investment; however, existing sources of revenue in the Agency's general fund, and other non-general fund sources are available to support its investment. Any additional agreements between the Parties for Land Leasing Costs, Infrastructure, Parking

Facilities and the ownership, operation, maintenance, use and occupancy of the Ballpark shall be structured in such a manner that any financing of the Agency Investment for the Ballpark Project will be on a fully tax-exempt basis. The Financing is also contingent upon the Agency receiving the assurances set forth in Section IX.C and XXXIII.B.

Section Sixteen

XVI. AGENCY FINANCING PLAN

The Agency's current pro forma for its investment in the Ballpark Project includes an annual financing payment to support a lease-revenue type financing, such as lease revenue bonds. The Agency's annual financing payment would be based in part upon certain existing revenue in the Agency's funds. The Agency believes that additional new development will occur in and around the Ballpark, including additional new hotel development on and around Great America, which will provide new revenue to the Agency's general fund not currently in the Agency's pro forma. Such additional new hotel development is not confirmed or committed at the present time, and thus cannot support the Agency's annual financing payments.

Accordingly, the Agency reserves the right to adjust its pro forma and the boundaries of the District in the future, provided that any such adjustments have no adverse effect on the A's' rights or obligations. Any such adjustments would enable the Agency to base its annual financing payments, in part, upon an amount of revenue equal to amounts of additional new revenue resulting from development on and around Great America, rather than an amount equal to an amount of existing revenues or growth in those existing revenues. For this reason, and because of the general benefits additional new development on and around Great America will bring to the Agency, SCSA and A's conceptually support efforts to stimulate or undertake such additional new development.

Section Seventeen

XVII. OCCUPATION, OPERATION AND MANAGEMENT OF BALLPARK

A. Term of Occupancy

The A's will commit to play Major League Baseball games at the Ballpark for the duration of the financing instrument used by the Agency to finance (and refinance, provided that such refinancing does not increase the term of the financing instrument or adversely affect in any other way the A's' obligations) the Ballpark Project, or for thirty-five (35) years, whichever period expires first; provided that in no event shall the A's' occupancy be for less than Thirty (30) years. The A's shall have two (2) five (5) year options to extend the lease term on the same terms (but without additional options) and conditions. To exercise these options, the A's must provide one (1) year prior written notification to SCSA and the Agency.

The A's will be prohibited from relocating the A's' franchise to a location other than Santa Clara, or from playing home games at any facility other than the Ballpark except as expressly provided herein and except for temporary relocation necessitated by casualty damage to the Ballpark, for the duration of any agreement for occupancy of the Ballpark between the A's and SCSA and the Agency.

The A's will have the right to transfer ownership of the A's' franchise during the term of any occupancy agreement for the Ballpark to the extent permitted by Major League Baseball, without any restrictions imposed by SCSA or the Agency, so long as the new franchise owner agrees in writing prior to the transfer to assume all of the A's' obligations under the occupancy agreement for the Ballpark for the balance of its term.

B. Rent

The A's shall pay as rent to the Agency, for the right to use and occupy the Ballpark, the sum of $5,500,000 each A's' fiscal year (pro-rated, based on the Opening Date through November 1, in the year of the Opening Date) in equal semi-annual payments in July and December, commencing in the first year of the A's' occupancy of the Ballpark and increased by ticket sales overages every year. (See Exhibit B)

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SCSA Ticket fees per annum shall be as follows:

Year 1 to 5	$1.50 per annum
Year 6 to 10	$1.73 per annum
Year 11 to 15	$1.98 per annum
Year 16 to 20	$2.00 per annum
Year 21 to 35	$2.50 per annum

C. General Operation and Use of the Ballpark

The A's will manage and operate the Ballpark, for A's' Games and SCSA for SCSA Events and Agency Events as provided herein. The A's shall have the right to use the Ballpark for up to 125 days each calendar year for A's' Games and Events, including without limitation A's' games, fantasy camps, baseball games and clinics, concerts and other events conducted by Major League Baseball clubs, each calendar year. The SCSA shall have the right, without obligation to pay rent, to use the Ballpark for 240 days each calendar year for Agency Events, including without limitation Convention Center and other public uses, subject to priority of scheduling as described below.

The A's will play all of their home games, whether exhibition, regular season or post-season, at the Ballpark, except that: 1) the A's may play up to three (3) home games each season outside the continental U.S., such as in Hawaii or Mexico; and 2) the A's may play, every three (3) years, one home series not exceeding five (5) games (in lieu of five (5) home games) in Asia.

No amateur or professional football games shall be played at the Ballpark during baseball season without the prior written consent of the A's. SCSA or Agency Events shall not include any professional softball or baseball games. SCSA or Agency Events may include amateur or high school softball or baseball games with the reasonable consent of the A's.

SCSA or Agency Events may take place year-round, provided that no SCSA or Agency Events shall be held on the playing field during the Major League Baseball season or during the period from February 1 until opening day of each season (to protect spring turf growth on the playing field) without the A's' reasonable consent. SCSA or Agency Events shall have scheduling priority during the off-season and the A's shall have scheduling priority during the period February 1 until the end of the Major League Baseball season (including the post-season if the A's are participants therein). The A's will actively assist the SCSA in operating Agency Events so as to maximize the Agency's net revenue from those events.

The A's will not schedule, without the Agency's prior written consent (which shall not be unreasonably withheld), any A's' non-game events at the Ballpark estimated to attract more than 10,000 spectators on days that events have previously been scheduled at the Stadium.

The A's will make every reasonable effort to keep Major League Baseball an affordable family recreation activity at the Ballpark and will provide attractive and meaningful programs designed to keep Major League Baseball affordable for families in Santa Clara, including providing senior, military and children discount programs during each year of the A's' occupancy of the Ballpark.

D. Management Responsibilities

The A's shall be responsible for operating and managing the Ballpark for all events at the Ballpark in a first class manner. Subject to Bond Counsel Review, the A's may, at their option, establish a separate management company owned and controlled by the A's for the purpose of providing management services for the Ballpark in accordance with the terms set out herein. The expense of such operation and management shall be shared as set forth herein. Any rights fees paid by third-party contractors for the Leasing of rights to provide services in connection with the Ballpark Project shall be retained by the A's. The A's shall not enter into any contract or grant any rights with respect to the operation of the Ballpark Project that extend beyond the A's term of occupancy of the Ballpark or are not terminable by the Agency upon default by the A's under any agreement for the occupancy of the Ballpark.

E. Ballpark Ownership

SCSA shall own the ballpark for the duration of the initial lease (35 years). Upon completion of the initial duration of the lease ownership in the ballpark shall be 50% Agency of Santa Clara and 50% A's. SCSA

shall have no further ownership in the ballpark but shall have first right to manage and operate the ballpark for non-A's events.

F. Incremental Ballpark Expenses

The SCSA and the A's shall each be responsible for the Incremental Ballpark Expenses for their own events. The A's shall be responsible for Incremental Ballpark Expenses incurred in connection with A's' Games and Events, and which consist of the following: 1) wages, benefits and incidentals paid to all event-day staff, including, without limitation, ushers, ticket-takers, ticket-sellers and fan assistance personnel; 2) event security; 3) on-site first aid and ambulance service; 4) event public Agency and marketing; 5) concession services; 6) required licenses and permits; 7) event liability insurance; 8) video board and scoreboard event staff, entertainment and event production costs; 9) public address system operations; 10) post-event cleaning and trash removal; 11) custodial staff and maintenance personnel during events, such as electricians, plumbers, and air-conditioning, elevator and escalator service personnel, sound system and field crew, and scoreboard and video board maintenance personnel; 12) any costs for the preparation and set-up for games and events, including the cost for one-time upgrades to the facility such as the provision of electric Agency to a particular location; and 13) any other event expenses not part of Joint Ballpark Ownership Expenses.

The SCSA shall be responsible for all Incremental Ballpark Expenses incurred in connection with SCSA or Agency Events, including all event expenses of the type listed above for A's' Games and Events. Incremental Ballpark Expenses incurred for Agency Events shall be paid in the first instance out of the revenue received by the Agency from that event (i.e., ticket, concession and parking revenue generated by SCSA Events). SCSA shall also be responsible for all usual and customary Agency operations in connection with all Ballpark events, including traffic and public safety personnel outside the Ballpark in accordance with current practice.

G. Capital Expenditures

SCSA will designate all Capital Expenditures, if any, with the A's' reasonable concurrence. Such Capital Expenditures shall be paid for in the first instance with funds on deposit in the Capital Expenditure Reserve Fund, to be established and controlled by the SCSA and A's for the duration of the initial Lease. Capital Expenditures shall be made to preserve the Ballpark in first-class Major League Baseball condition. The A's shall submit to the SCSA, on or before November 1 of each year, a proposed budget of anticipated Capital Expenditures for the succeeding year. The proposed budget shall provide a detailed statement of the need for and cost of proposed Capital Expenditures. SCSA shall provide its response to the proposed budget on or before January 1 of the succeeding calendar year. In the event of an emergency requiring a Capital Expenditure or other Capital Expenditure not identified in the budget, the A's shall notify the SCSA as soon as possible after the discovery of the emergency or need for the Capital Expenditure, and the A's and the Agency shall work together in good faith to address the need for the Capital Expenditure.

The first $5,000,000 in Ballpark construction cost savings below the Ballpark Estimate shall be deposited into the Capital Expenditure Reserve Fund. The first $250,000 (increased every five (5) years by cumulative C.P.I. since the previous C.P.I. increase (if any)) in net annual parking revenue generated through any non-event public use of the Public Parking Facilities shall be deposited by the SCSA into the Capital Expenditure Reserve Fund. Interest income generated by the Capital Expenditure Reserve Fund shall constitute part of such fund. Any funds on balance in the Capital Expenditure Reserve Fund at the expiration of the A's' occupancy agreement for the Ballpark shall belong to the SCSA.

The A's shall be responsible for Capital Expenditures that cannot be paid for in full out of the then remaining balance in the Capital Expenditure Reserve Fund. Any such amounts paid by the A's shall be treated as an interest-free loan to the Capital Expenditure Reserve Fund, which shall be repaid to the A's the following year using deposits made by the SCSA, subject to the limitations set forth above, provided and to the extent that the balance in the Capital Expenditure Reserve Fund exceeds $500,000. At the conclusion of the term of the A's' occupancy agreement for the Ballpark, the A's shall ensure through an independent qualified third party that all necessary capital improvements have been completed and that there are no deferred maintenance items.

Section Eighteen

XVIII. SCSA PRIVATE INVESTMENT

Towards the Ballpark Project, the SCSA and the private sector shall make an investment of $160,000,000. The SCSA Private Investment may include, but may not necessarily be limited to, monies from Naming Rights; sponsorships; Concession Rights; vendors; founding partners and other fan programs; SCSA Rights Fees; and amounts expended by the A's for the costs referred to in Section XLII (to the extent such costs are included in the Ballpark Project Estimate). Specific funding levels by source will be determined by the SCSA and private sector. The Agency shall assist and collaborate with the SCSA in the effort to obtain such private sector funds. The sale by the A's of any rights relating to the Ballpark Project (i.e., Naming Rights and Concession Rights Private Seat Licenses) shall not extend beyond the SCSA's term of occupancy of the Ballpark.

SCSA shall cause the financing of obligations secured by certain of these private revenues, provided that the financing is reasonably acceptable to the Agency and the SCSA provide appropriate assurances of such payments reasonably acceptable to the Agency, its bond underwriters, rating agencies and bond insurers; reimburse the Agency for the reasonable and necessary financing costs; and do not, during the term of any financing, contest the imposition or amount of any taxes used as security for such financing if the effect of success on such contest would render the Agency, in the Agency's discretion, unable to satisfy all obligations therefrom and coverage requirements associated with such a financing. The Agency shall maximize the amount of such proceeds from this financing by issuing the obligations at market rates, including only usual and customary financing charges and reserves, and on mutually agreed-upon terms. At the SCSA request, the Agency shall consider approving the refinancing of such obligations in the future if market conditions allow for improved borrowing terms, provided that the SCSA reimburse the Agency for the reasonable and necessary financing costs of such refinancing. If the SCSA elect to finance all or any part of the SCSA Private Investment without Agency involvement, payment of all debt service associated with such borrowings shall be the SCSA ' sole responsibility.

Approximately $66,500,000 (30% of the total Ballpark Estimate) of the SCSA Private Investment will be used for Ballpark construction; the balance will be used for Infrastructure and Land Leasing Costs in a mutually agreed upon manner, but will include the Agency utility contributions for utility relocation and equipment.

Section Nineteen

XIX. OTHER REQUIRED FINANCING INVESTMENTS

The Agency and the SCSA will cooperatively endeavor to obtain from other public and quasi-public source commitments to provide funds or financing for parking, transportation, infrastructure improvements, or other value reasonably acceptable to the Parties. The Parties will also work collaboratively to obtain other general assistance from other public and quasi-public sources.

Section Twenty

XX. DESIGN & CONSTRUCTION FUND

SCSA, the Agency and the A's shall establish the Design & Construction Fund as an interest bearing account. All payments for the costs of the Ballpark Project shall be made out of the Design & Construction Fund unless otherwise specifically agreed to in writing by the Parties. Within the Design & Construction Fund, separate accounts will be established for the SCSA Private Investment and the Agency Investment. The Agency Investment will be deposited into a separate fund. SCSA will control the investments in their respective accounts; provided, however, that the Agency shall control the investments in the SCSA account to the extent such investments are allocated to Land and Infrastructure. Expenditures for the Ballpark out of the Design & Construction Fund shall be under the joint control of the Agency and the SCSA, provided, however, that the Agency and SCSA shall establish, no later than _____, a mechanism to

ensure that all obligations approved by the A's are satisfied in a timely and efficient manner. With the exception of other costs to be paid as part of the SCSA Private Investment, and the expenditures for the Ballpark out of the Design and Construction Fund, all other expenditures shall be under the sole control of the SCSA. The Agency Investment shall be deposited into their respective funds as soon as available. Notwithstanding the foregoing, the Agency will deposit, from its initial financing proceeds, at least $_____ into the Design & Construction Fund by the later of _____, or 30 days after the certification of the Environmental Impact Report for the Ballpark and any necessary land use changes; provided, however, that the Agency and SCSA shall use their best efforts to obtain such certification and financing proceeds as soon as reasonably possible. The SCSA Private Investment shall be deposited into the Design & Construction Fund in eight (8) equal quarterly payments commencing in June, 2002, subject to acceleration for any exigencies in the financing plan as reasonably determined by the Agency and the SCSA . Interest earned on each account within the Design & Construction Fund shall count towards the Parties' respective funding requirements. The Parties will confer in good faith and agree, no later than _____, on an estimated schedule of cash disbursements from the Design & Construction Fund, including the timing and amount of the bridge loan, to be provided or arranged by the Agency or SCSA necessary to meet the requirements of the schedule, but in no event shall such funds be disbursed prior to the Certification Date. As soon as expenses for the design and construction of the Ballpark Project are incurred, but no earlier than the Certification Date, payments of such expenses shall be funded by Agency equity and/or a bridge loan or other interim financing obtained by the Agency and SCSA (the type of financing to be at the Agency's discretion) to meet their respective investment obligations for the Ballpark Project, until such time as funds from their financing of choice are obtained. In the event the A's elect not to proceed with the Ballpark Project on or before April 1, 2001, reimbursement shall take place based on the Parties' pro rata share of the Ballpark Project Estimate less the amount of other required financing investments as described in Section XIX.

In the event the Conditions Subsequent set forth in Section XXXIII have not been satisfied by April, 2001, or such other date as the Parties mutually agree in writing, any funds remaining in the Design & Construction Fund accounts shall be returned to the respective Parties and any assets purchased for a Party with such Party's funds will be distributed to such Party.

Section twenty-one

XXI. OWNERSHIP OF THE BALLPARK
The Ballpark shall be owned by SCSA of 100% undivided interest for the duration of the Lease.

The SCSA ownership interest in the Ballpark will transfer automatically to the Agency and the A's, without further consideration, and free and clear of all encumbrances, upon the expiration of the Lease occupancy agreement for the Ballpark. To effectuate the purpose of this provision, the SCSA shall execute and escrow the necessary documents upon execution of the Ballpark occupancy agreement.
Property and general liability insurance for the Ballpark shall be obtained in conjunction with the operation and management of the Ballpark, and the expense of such insurance shall be shared, as set forth in Section XXII.E (See Exhibit C Time Schedule)

Section twenty-two

XXII. ADDITIONAL CONDITIONS:

(A) The A's will not schedule, without the SCSA's prior written consent (which shall not be unreasonably withheld), any A's' non-game events at the Ballpark estimated to attract more than 10,000 spectators on days that events have previously been scheduled at the Stadium.
The A's will make every reasonable effort to keep Major League Baseball an affordable family recreation activity at the Ballpark and will provide attractive and meaningful programs designed to keep Major League

Baseball affordable for families in Santa Clara, including providing senior, military and children discount programs during each year of the A's' occupancy of the Ballpark.

B. Management Responsibilities

The A's shall be responsible for operating and managing the Ballpark for all events at the Ballpark in a first class manner. Subject to Bond Counsel Review, the A's may, at their option, establish a separate management company owned and controlled by the A's for the purpose of providing management services for the Ballpark in accordance with the terms set out herein.

C. Joint Ballpark Ownership Expenses after Initial Term

The Agency and the A's shall share Joint Ballpark Ownership Expenses based on their respective ownership percentages, with the Agency paying 50% of those expenses and the A's paying 50%; provided, however, that the Agency's annual share of such expenses shall be limited to $3,500,000 in the first year of operation, and increased annually thereafter by the C.P.I. Payments by the Agency of its share of Joint Ballpark Ownership Expenses shall be made in 2 equal payments, on February 1 (or 3 months after the start of the A's' fiscal year) and August 1 (or 6 months after the first payment) of each year based on the A's' good faith estimate of the total Joint Ballpark Ownership Expenses and the Agency's share thereof; provided, however, that the Agency's payment for Joint Ballpark Ownership Expenses in the year of the Opening Date shall be paid on a pro rata basis (based on the Opening Date through November 1) in two equal payments on July 1 and November 1 in the year of the Opening Date. The A's shall provide such estimate to the Agency on or before December 15 of the prior calendar year. The A's will provide the Agency with a final reconciliation of the total Joint Ballpark Ownership Expenses and the Agency's share thereof together with any refund or request for additional payment within sixty (60) days after the end of the A's' fiscal year. Joint Ballpark Ownership Expenses consist of: 1) salaries and benefits for year-round Ballpark supervisory staff; 2) property and general liability insurance for the Ballpark and its fixtures; 3) professional fees, including legal and accounting fees and expenses, for professional services paid to unaffiliated third parties directly related to the management of the Ballpark; 4) salaries and benefits for year-round event operations supervisors who supervise all Ballpark events; 5) utility costs for the Ballpark; 6) salaries and benefits for year-round repair and maintenance staff; 7) repairs and maintenance for the Ballpark and its fixtures, equipment and systems; 8) routine maintenance and upkeep for the Ballpark, including year-round cleaning and janitorial costs; 9) year-round security costs; 10) year-round field maintenance and landscaping costs; and 11) any other customary year-round, non-event specific expenses.

D. Incremental Ballpark Expenses

The Agency shall be responsible for all Incremental Ballpark Expenses incurred in connection with Agency Events, including all event expenses of the type listed above for A's' Games and Events. Incremental Ballpark Expenses incurred for Agency Events shall be paid in the first instance out of the revenue received by the Agency from that event (i.e., ticket, concession and parking revenue generated by Agency Events). The Agency shall also be responsible for all usual and customary Agency operations in connection with all Ballpark events, including traffic and public safety personnel outside the Ballpark in accordance with current practice.

E. Capital Expenditures

The SCSA will designate all Capital Expenditures, if any, with the A's' reasonable concurrence. Such Capital Expenditures shall be paid for in the first instance with funds on deposit in the Capital Expenditure Reserve Fund, to be established and controlled by the SCSA and A's. Capital Expenditures shall be made to preserve the Ballpark in first-class Major League Baseball condition. The A's shall submit to the SCSA, on or before November 1 of each year, a proposed budget of anticipated Capital Expenditures for the succeeding year. The proposed budget shall provide a detailed statement of the need for and cost of proposed Capital Expenditures. The SCSA shall provide its response to the proposed budget on or before January 1 of the succeeding calendar year. In the event of an emergency requiring a Capital Expenditure or other Capital Expenditure not identified in the budget, the A's shall notify the SCSA as soon as possible after the discovery of the emergency or need for the Capital Expenditure, and the A's and the SCSA shall work together in good faith to address the need for the Capital Expenditure.

The first $5,000,000 in Ballpark construction cost savings below the Ballpark Estimate shall be deposited into the Capital Expenditure Reserve Fund. The first $100,000 (increased every five (5) years by cumulative C.P.I. since the previous C.P.I. increase (if any)) in net annual parking revenue generated through any non-event public use of the Public Parking Facilities shall be deposited by the Agency into the Capital Expenditure Reserve Fund. Interest income generated by the Capital Expenditure Reserve Fund shall constitute part of such fund. Any funds on balance in the Capital Expenditure Reserve Fund at the expiration of the A's' occupancy agreement for the Ballpark shall belong to the Agency.

The A's shall be responsible for Capital Expenditures that cannot be paid for in full out of the then remaining balance in the Capital Expenditure Reserve Fund. Any such amounts paid by the A's shall be treated as an interest-free loan to the Capital Expenditure Reserve Fund, which shall be repaid to the A's the following year using deposits made by the SCSA, subject to the limitations set forth above, provided and to the extent that the balance in the Capital Expenditure Reserve Fund exceeds $500,000. At the conclusion of the term of the A's' occupancy agreement for the Ballpark, the A's shall ensure through an independent qualified third party that all necessary capital improvements have been completed and that there are no deferred maintenance items.

Section twenty-three

XXIII. CONCESSIONS

The A's will select and contract with one or more concessionaires to provide concession services for all events at the Ballpark. To the extent legally permitted, the Ballpark concessionaires selected by the A's shall have the exclusive right to offer concession services within the entire Ballpark Project, including the walkways surrounding the admissions gates and the Parking Facilities. Any amounts invested by a concessionaire in the construction, installation or equipping of the concession facilities for the Ballpark shall be applied on a dollar-for-dollar basis toward satisfaction of the SCSA Private Investment.

The Ballpark concessionaires shall pay the same rates of commissions for concessions at Agency Events as are paid at A's' Games and Events. The A's shall determine all food, beverage and novelty items to be sold by the Ballpark concessionaires, and shall approve all prices for such products. The A's shall consult SCSA before approving products and prices for sale at SCSA Events. The Agency shall have the right to sell its novelties at its events.

All fees paid to obtain Concession Rights within the Ballpark Project shall be retained by the A's. All concession commissions payable in connection with concessions at A's' Games and Events shall be paid to the A's. Subject to any commissions due to the A's from the sale of A's' related merchandise, all concession commissions payable in connection with concessions at SCSA Events shall be paid to the SCSA on a net basis, after payment of all Incremental Ballpark Expenses for such events.

Section twenty-four

XXIV. ADVERTISING

The A's shall have the exclusive right to sell advertising within all parts of the Ballpark Project, including (subject to all applicable laws) outside the Ballpark and on the exterior structure of the Ballpark and/or its systems. Unless otherwise determined by the A's in its contracts with advertisers, all advertising sold by the A's shall be displayed at the Ballpark Project at all events.

Advertising sold and/or otherwise provided by the A's for display in or within the Ballpark may not be covered or obstructed without the A's' consent. The SCSA Events shall not have title sponsors who are competitors of the exclusive Ballpark advertisers or sponsors. No sponsor of a SCSA Event may remove or obstruct any Ballpark advertising sold by the A's, or display temporary advertising signage of any type that conflicts with the A's' advertising arrangements for the Ballpark.

All revenue from the sale of advertising and sponsorships within the Ballpark shall be retained by the A's, except for permissible temporary advertising and sponsorships in connection with SCSA Events.

Section twenty-five

XXV. NAMING RIGHTS & PRERSONAL LICENCE SEATS
Funds obtained from Naming Rights & Personal License Seats shall be retained by the SCSA. SCSA shall have the exclusive right to solicit for and contract with persons or entities interested in purchasing Naming Rights (except with respect to the Public Parking Facilities) and Personal License Seats. Any name proposed to be associated with the Ballpark shall be tasteful and not be a cause for embarrassment to the Agency and, to ensure this protection shall be subject to the Agency's consent (which will not be unreasonably withheld or delayed).

Section twenty-six

XXVI. UTILITIES
The SCSA will be responsible for contracting with Agency utility to provide all utility services for the Ballpark. Any rights fees or other revenue generated by those arrangements shall be retained by the SCSA for Capital Improvements on a dollar for dollar basis.

Section twenty-seven

XXVII. PRIVATE SUITES
The A's will have the exclusive right to license the private suites in the Ballpark for all A's events at the Ballpark, and to retain all resulting licensing revenue. The A's shall determine the amount of all suite license fees and the costs of related amenities.

The A's may grant private suite licensees the exclusive right to use their suites during all Ballpark events. Suite licensees will have the option, but not the obligation, to buy tickets to SCSA Events as part of the suite license package, provided that such licensees shall not be admitted to such events without purchasing such tickets.

Revenue, if any, from the sale of admission tickets to the exterior seats of such private suites will be shared, with the SCSA receiving such revenue from SCSA Events on a net basis (after payment of all Incremental Ballpark Expenses for such events), and the A's receiving such revenue for A's' Games and Events.

Section twenty-eight

XXVIII. PREMIUM SEATS
The A's shall have the exclusive right to establish premium seat ownership rights at the Ballpark, and to determine all license fees and ticket prices for such seating, including but not limited to club seat ownership fees, one-time founders' fees or construction contributions associated with the purchase of such seating. All revenue from all premium seat ownership fees, founders' fees or related construction contributions shall be retained by the A's.
Revenue from the sale of admission tickets to premium seating will be shared, with the SCSA receiving such revenue for SCSA Events on a net basis (after payment of all Incremental Ballpark Expenses for such events), and with the A's receiving such revenue for A's' Games and Events.

Section twenty-nine

XXIX. USER FEES
The SCSA shall have the exclusive right to charge a per-ticket user fee per paid admission for tickets to A's' Games and Events. If the SCSA charge such fee, they shall be accounted for separately by the A's. Any

such fee may be used for the purpose of providing funding for the SCSA Private Investment, either directly or by functioning as collateral for financing, SSCA operational fees, and a Capital Expenditure account.

Section Thirty

XXX. COMPLIANCE WITH LAWS

Each Party shall be responsible for compliance with all laws and regulations that may apply to the construction, use and operation of the Ballpark Project to the extent that such Party is responsible for that aspect of the Ballpark Project. The A's shall have the lead responsibility during the Ballpark design and construction for ensuring compliance with all licensing, permitting and construction requirements, and with the design and access requirements of the federal Americans with Disabilities Act and any similar laws. To the extent the Parties purchase insurance or obtain contract protection with respect to construction of the Ballpark Project, the A's and the Agency shall each ensure that the other Party has the same protections available to it with respect to coverage, including insurance and contract protection from general contractors, architects and other Ballpark Project professionals, from claims resulting from the Americans with Disabilities Act and any similar laws (if such protection can be obtained without significant additional cost; however, each Party may elect to pay any such significant additional cost); provided, however, that the A's shall be responsible for any such claims in the event that the Agency provides the A's with written notice of a violation of such laws and the A's have the responsibility to remedy such violations and fail for any reason to remedy such violations. All actions required by this MOU shall be subject to all requirements of law, including any required hearings and findings.

All Parties to this MOU shall assure that equal opportunities are provided in contracting, sub-contracting and employment regardless of race, color, religion, sex, sexual orientation or national origin.

Section thirty-one

XXXI. ANCILLARY ISSUES

A. Master SCSA.

The A's shall have the first right of refusal to acquire by assignment or for fees the SCSA, including the right to negotiate for and retain all SCSA Rights Fees and to include such fees in the SCSA Private Investment if the SCSA chooses to sell it's rights. The Agency agrees that the A's may act as principal in the SCSA to be formed by the A's and other entities.

B. Limitations on New Taxes.

For the duration of the Ballpark occupancy agreement, if the Agency imposes, either directly or indirectly, any new or increased taxes, fees or assessments against the A's with respect to the Ballpark Project (such as new or increased admission, ticket or entertainment taxes, sales taxes on admissions or tickets, parking taxes, transportation taxes or assessments, utility taxes, facility benefit assessments, possessory interest taxes or personal property taxes) above and beyond those already required to be paid under or already established by existing law as 2004, then the A's shall receive full credit for the amounts of such new or increased taxes, fees or assessments paid by the A's against sums otherwise owed to the Agency under the Ballpark occupancy agreement or the DA/DDA (or other consideration in the event such sums are not sufficient to offset the required credit). The previous sentence shall not apply to (a) any new or increased taxes, fees or assessments already required to be paid under or already established by existing law as of 2004; (b) any assessments imposed pursuant to a favorable vote of taxpayers within an assessment district including the Ballpark Project, in which the A's participate as a voter; and (c) any new or increased taxes, fees or assessments which are "generally applicable." In order to qualify as "generally applicable," a new or increased tax, fee or assessment (1) must apply Agency-wide; (2) must be payable by a substantial number of taxpayers in addition to the A's; and (3) must not be an admission, ticket, entertainment or similar tax, fee or assessment.

C. Expedited Development Processing.
To the fullest extent permitted by law, the Agency and SCSA shall expedite and give first-priority status to its processing of the SCSA's land use, zoning and permit applications, the SCSA's construction drawings, plans and specifications, and all similar or related submissions by the SCSA concerning Phase 1.

Section Thirty-Two

XXXII. EXTENSION OF TERM AT ALAMEDA COUNTY STADIUM
The A's will extend their use and occupancy of Stadium through the end of the 2003 Major League Baseball season or until the Ballpark opens for play.

Section Thirty-Three

XXXIII. CONDITIONS SUBSEQUENT
A. The respective obligations of the Parties as set forth in this MOU are contingent upon the following (unless waived by the Parties):
1. The Agency's ability to obtain financing for the Ballpark Project on terms reasonably acceptable to the Agency and on a fully tax-exempt basis, except for such financing based upon certain limited, agreed-upon SCSA Private Investment payments (which may at least include, at the SCSA discretion, SCSA ' revenue and/or other SCSA sources, and net possessory interest and/or net property taxes). Notwithstanding anything to the contrary contained in this MOU, the Parties will work together to maximize the amount of tax-exempt financing.
2. Occurrence of the Certification Date.
3. Full compliance with the California Environmental Quality Act has occurred.
4. The feasibility of completing Land usage, environmental approvals, Parking Facilities and Infrastructure for the Ballpark Project within the cap set forth in Section XII is confirmed by dates as specified in Exhibit C.
5. The ability of the Agency and SCSA to obtain by _____, sufficient additional financing investments, as set forth in Section XIX, to fund the Ballpark Project, or the A's' agreement by that date to reduce the size of the Ballpark Project in light of the available funds.
6. The SCSA ,Agency and A's agreeing on financial terms for the extension of the use and occupancy agreement for the Stadium by _____, as set forth in Section XXXII.
7. The A's' continued good standing in Major League Baseball and Major League Baseball's approval of the terms of the MOU and the terms of any Ballpark occupancy agreement (to the extent such agreements exist on or before October 31, 2000).
8. The A's' continued ability to pay its debts when and as due, and avoid insolvency or any form of voluntary or involuntary bankruptcy.
9. The Parties reaching agreement on the schedule of disbursements from the Design & Construction Fund, as set forth in Section XX.

B. The obligations of the Agency and SCSA, as set forth in this MOU, are additionally contingent upon the following (unless waived by SCSA and the Agency):
1. The Agency receives from the SCSA and/or others, by _____, the assurances set forth in Section IX.C.
2. The SCSA Private Investment is secured as set forth in Section XVIII.

C. The obligations of the A's and SCSA, as set forth in this MOU, are additionally contingent upon the following (unless waived by the A's):
1. The A's commitment to this agreement by September 1, 2000.
2. Land availability is completed as set forth in Exhibit C.
3. The initial Agency financing is executed as set forth in Exhibit C.

Section Thirty-Four

XXXIV. CREDIT ENHANCEMENT
The Agency intends to establish a Stabilization Reserve Fund for its financing of choice for the Ballpark Project. The A's shall deposit certain sums into the Stabilization Reserve Fund from time to time under the circumstances and terms set forth in Exhibit B.

Section thirty-five

XXXV. A'S COVENANTS
In the unlikely event that the A's file for bankruptcy protection, this MOU, and any lease or other agreement between the Parties regarding the Ballpark Project or Ballpark shall immediately be null and void, and the A's' ownership in the Ballpark shall immediately revert to the SCSA/AGENCY, unless specifically agreed to in writing by the Agency and SCSA.
In the construction of the Ballpark and Phase 3, the A's shall use its good faith efforts to maximize the use of local contractors, sub-contractors and workers.

Section thirty-six

XXXVI. AGENCY AND AGENCY COVENANTS
The Agency and the Agency covenant that, if there is no default of any lease or other agreement for the SCSA/ A's' use and occupancy of the Ballpark beyond any applicable grace and cure periods, during the term of any such agreement the SCSA /A's shall quietly enjoy possession of the Ballpark pursuant to this MOU or any such agreement without hindrance or interference by the Agency or Agency, or any party claiming by, through or under them, on the dates and during the times it is entitled to such possession pursuant to the terms of such occupancy agreement, except as otherwise required by law.

Section Thirty-Seven

XXXVII. OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL
If, at any time during the term of a lease or other agreement between the SCSA and the A's for the use and occupancy of the Ballpark, the SCSA proposes to sell its interest in the Ballpark to a third party, SCSA shall first give the A's a written offer to sell the SCSA interest in the Ballpark to the A's on the same terms and conditions on which the SCSA proposes to sell its interest in the Ballpark to such third party. The A's shall have a period of 60 days to accept or reject the SCSA offer.

If, at any time during the term of any occupancy agreement for the Ballpark, the A's propose to sell its interest in the Ballpark to a third party, other than in connection with a sale of the A's' franchise or to an entity controlled by the A's and/or its partners, the SCSA /Agency shall have a right to approve such sale.

Section Thirty-Eight

XXXVIII. MODIFICATIONS TO MOU
Except as specifically set forth in this MOU, this MOU may not be modified or amended without the affirmative vote of a majority of the Agency voting for that purpose. The Agency may agree to amend or modify this MOU without a vote of the electorate only if such amendments or modifications do not materially: 1) decrease the rights or increase the obligations of the Agency; 2) increase the financial

commitments of the Agency; or 3) decrease revenue to the Agency. Any modifications or amendments to this MOU must be in writing and signed by all the Parties.

Section Thirty Nine

XXXIX. IMPLEMENTATION

Subject to compliance with the California Environmental Quality Act and any other applicable laws, the Parties shall take all lawful actions, and enter into all legal agreements, within their respective jurisdictions, necessary to implement the purpose and intent of this MOU. Unless specifically directed or prohibited to act in a particular manner by this MOU, each Party shall have the discretion, within its respective jurisdiction, to implement this MOU in the manner that, in its best judgement, is in its best interests.

Prior to the Certification Date, the A's shall have obtained such consents and approvals of Major League Baseball as may be necessary for the A's to enter into and perform its obligations under this MOU and the additional documents required by this MOU (to the extent such documents exist at such time).

In light of the A's' guarantee of various aspects of the Agency's financing plan, the Agency shall share with the SCSA the composition of the public funding sources and the SCSA shall share with the Agency, on or before the Certification Date, the composition of the private funding sources if any.

Section Forty

XL. BINDING EFFECT AND ENFORCEABILITY

Although the planning, construction, operation, management, use and occupancy of the Ballpark, Ballpark Project shall be subject to the terms of more definitive agreements, which will encompass issues not addressed in this MOU, the Parties agree that the terms of this MOU will be incorporated into such other agreements. The Parties further acknowledge and agree that this MOU reflects the basic business deal between the Parties and is intended to be binding on the Parties, their respective successors and assigns; however, this MOU shall be binding on the Parties only as to the matters set forth in this MOU, and shall not bind the Parties regarding any other future proposal for the construction of a ballpark or other development anywhere in the Redevelopment project.

Section Forty-One

XLI. FORCE MAJEURE

Should any of the Parties be delayed in or prevented, in whole or in part, from performing any obligation or condition required by this MOU by reason of a Force Majeure Event, that Party shall be excused from performing that obligation or condition for so long as the Party is delayed or prevented from performing, and for a period of thirty calendar days thereafter, and any affected deadlines shall be similarly extended.

Section Forty-Two

XLII. COSTS FOR NEGOTIATIONS AND PREPARATION OF DOCUMENTS

Each Party shall be solely responsible for its own legal, accounting, consulting and other professional fees and expenses incurred in connection with the planning and negotiation process for the Ballpark Project, and the negotiation and preparation of all agreements and documents required to implement the terms herein. If the Ballpark Project proceeds, the Agency, SCSA and A's will be entitled to receive out of the Design and Construction Fund any existing development expenses and other soft costs, including those set forth in this Section XLII, related solely to the Ballpark Project (to the extent such costs are included in the Ballpark Project Estimate).

Section Forty-Three

XLIII. NOTICE

Any notice, demand, complaint, request, or other submission under this MOU shall be in writing and shall be given by personal delivery to the persons designated below, with copies delivered as indicated, or by US Mail, Certified, return receipt requested, with copies mailed as indicated.

For the Agency:	Executive Director 1500 Warburton Ave. Santa Clara, CA 95050
Copy:	General Counsel , SCSA Santa Clara, CA 95050
For SCSA:	President Santa Clara, CA 95050
Copy:	General Counsel for RDA Santa Clara, CA 95050
For the A's:	Steven Schott , Owner Santa Clara A's Santa Clara, CA 95050 P.O. Box 122000 Santa Clara, CA 92112
Copy:	Mike Crowley, President & Chief Executive Officer Santa Clara A's 8880 Rio Santa Clara Drive, Suite 400 Santa Clara, CA 92108 P.O. Box 122000 Santa Clara, CA 92112

Section Forty-Four

XLIV. COUNTERPARTS

This agreement may be executed in any number of separate counterparts and by each of the Parties in separate counterparts, each counterpart constituting an original, and all such counterparts constituting but one and the same agreement.

Section Forty-Five

XLV. POSSESSORY INTEREST TAXES

The use and occupancy of the Ballpark or Ballpark Project may create possessory interests subject to taxation by the State of California. The Agency, Agency and SCSA shall have no liability for such possessory interest taxes. Any further or additional agreements regarding the Ballpark or Ballpark Project shall contain a provision that relieves the Agency, Agency and SCSA of any liability for possessory interest taxes for the use or occupancy of the Ballpark or Ballpark Project.

Section Forty-Six

XLVI. REVIEW AND AUDIT

At its own cost and expense, each Party shall have the right to review and audit, upon reasonable notice, the books and records of any other Party concerning any monies due and owing to the requesting Party, or concerning the expenditure of funds received from the requesting Party. This right does not extend to books and records that do not, in any way, relate to or concern the accounting of monies as may be owed to the Parties from each other, or the expenditure of monies received from any other Party. Any additional agreement contemplated or required by this MOU shall contain appropriate provisions to implement this Section.

Section Forty-Seven

XLVII. OTHER PROVISIONS

The other documents required or contemplated by this MOU shall contain such other provisions, representations, warranties, covenants and indemnities as are customarily included in similar documents related to the development, construction and operation of Major League Baseball facilities.

Section Forty-Eight

XLVIII. SUCCESSORS AND ASSIGNS

This MOU shall be binding upon and shall inure to the benefit of the Parties and their respective assigns; provided, however, that the A's shall have no right to assign this MOU or its rights hereunder prior to the Opening Date.

Section Forty-Nine

XLIX. GOVERNING LAW

This MOU shall be governed by and construed according to the laws of California.

Santa Clara3.doc/A's

EXHIBITS TO THIS AGREEMENT

EXHIBIT A	Costs of Stadium (General) Agency Utilities Infrastructure
EXHIBIT B	A's Obligations to the Lease
EXHIBIT C	Time Schedule
EXHIBIT D	Equity Ownership
EXHIBIT E	Revenue Sources

EXHIBIT F

Meeting Date: 7/24/01

AGENDA REPORT

City of Santa Clara, California

Agenda Item # _____

Council ☒
Agency ☒
SOSA ☐

DATE: July 17, 2001

TO: Mayor Nadler and City Council for Information

FROM: City Clerk/City Auditor

SUBJECT: Results of November 6, 1990 Election Regarding the Proposed Stadium in the City of Santa Clara

The ballot for the November 6, 1990 Election contained four ballot measures pertaining to the proposed Giants stadium in the City of Santa Clara. One was a countywide measure and the other three were Cities of Santa Clara, Mountain View and San Jose measures. The City of Santa Clara advisory measure was the only one that was approved by the voters. The wording for each measure is attached to this memo.

The results of each measure are listed below.

MEASURE G: Santa Clara County measure initiated by the Joint Powers Finance Authority regarding a 1% parking tax.

Countywide vote	City of Santa Clara vote
Yes: 134,523	Yes: 13,089
No: 138,014	No: 13,353

MEASURE N: City of Santa Clara advisory measure regarding the use of city owned land and the financing for the stadium.

Yes: 12,647
No: 12,137

MEASURE H: City of San Jose measure regarding the ballpark financing.

Yes: 85,313
No: 89,269

MEASURE O: City of Mountain View measure regarding the ballpark financing.

Yes: 7,353
No: 11,663

Judy Boccignone
City Clerk/City Auditor

Documents Related to this Report: Wording of Each Ballot Measure

I:\AGENDA REPORTS\STADIUM\1990 Ballot Measure.doc

WORDING OF EACH BALLOT MEASURE

MEASURE G: JOINT POWERS FINANCE AUTHORITY

"Shall the Ballpark Authority build and operate a Major League ballpark in Santa Clara County and levy a parking tax at the ballpark, as well as a utility users tax of not more than one per cent of the charges made for all taxable utility services, provided, that this tax on electrical utilities shall not be levied on the first $50.00 per month of residential electrical services; also, this utility users tax shall not be levied for residential users of less than "lifeline" service levels on other utilities; provided, further, that this utility users tax shall terminate upon payment in full of all bonds secured by this tax?"

MEASURE N: CITY OF SANTA CLARA ADVISORY RE LAND USE

"Should the City of Santa Clara [CITY] work with a Joint Powers Authority [JPA] to locate a baseball park for use by the Giants baseball organization on approximately 98 acres of CITY owned land south of State Highway 237 between Great America parkway and the Guadalupe River, subject to the following conditions?

1. CITY would own the land and receive escalating lease payments commencing with $4,320,000 per year (which amount CITY may agree to defer or pro rate);
2. The one time costs for site improvements of approximately $2.7 million will be paid by CITY'S Redevelopment Agency;
3. JPA, consisting of local governments including the City of Santa Clara, would finance construction of the ballpark, parking facilities and related on-site and off-site improvements with a utility tax of not more than 1%. JPA would own the ballpark structure;
4. JPA would contract with private management to construct and operate the ballpark and parking facilities;
5. CITY, JPA, the Giants, and private management would enter into agreements of no less than thirty (30) years guaranteeing rent payments to CITY and the payments necessary to construct, maintain and operate the ballpark facilities;
6. JPA would pay for above normal services such as traffic control and security on game days."

MEASURE H: CITY OF SAN JOSE MEASURE REGARDING BALLPARK FINANCING

"Shall the City of San Jose participate in the building of a sports facility for major league baseball with the use of tax dollars?"

MEASURE O: CITY OF MOUNTAIN VIEW MEASURE REGARDING BALLPARK FINANCING:

"Shall the City of Mountain View join the Ballpark Joint Powers Finance Authority of the County of Santa Clara, and, if so, shall the Ballpark Authority build and operate a Major League ballpark in Santa Clara County and levy a parking tax at the ballpark, as well as a utility users tax of not more than one percent of the charges made for all taxable utility service, provided that this tax on electrical utilities shall not be levied on the first $50.00 per month of residential electrical services; also, this tax shall not be levied for residential users of less than "lifeline" service levels on other utilities; and provided further that this tax shall terminate upon payment in full of all bonds secured by the tax?"

SANTA CLARA SOCCER PARK
SAN FRANCISCO 49ERS PRACTICE FACILITY
FULLER STREET PARK
POTENTIAL HOTEL
PARKING GARAGE
PEDESTRIAN BRIDGE
VEHICULAR BRIDGE
PROPOSED SAN TOMAS AQUINO CREEK TRAIL
SOUTH PARKING
GREAT AMERICA THEME PARK
TECHMART
WESTIN HOTEL
SANTA CLARA CONVENTION CENTER
PEDESTRIAN BRIDGE
POWER STATION
SANTA CLARA HILTON
WEST PARKING
NORTEL NETWORKS
GREAT AMERICA PARKWAY
TASMAN DRIVE

Stadium Funding Sources

Ball Park (Team)	Year Opened	Project Cost (millions)	Private Funding	Public Funding	% Publically Funded
Comiskey Park White Sox	1991	$190	0	190	100%
Camden Yards Orioles	1992	$220	10	210	96%
Jacobs Fields Indians	1994	$200	25	175	88%
PNC Park Pirates	2001	$262	40	222	85%
Miller Park Brewers	2001	$399	90	309	77%
Bank One Ballpark Diamondbacks	1998	$355	89	266	75%
Coors Field Rockies	1995	$225	55	170	75%
Safeco Field Mariners	1999	$517	145	372	72%
San Diego Ballpark Padres	Est. 2002	$450	125	325	72%
Ballpark at Arlington Rangers	1994	$191	55	136	71%
Enron Field Astros	2000	$248	79	169	68%
Santa Clara Ballpark A's	Proposed	$262	125	137	52%
Comerica Park Tigers	2000	$290	180	110	38%
Pac Bell Park Giants	2000	$345	330	15	4%

Public Funding Sources

Ball Park (Team)	Public Funding (millions)	State	County/Other	City
Comiskey Park White Sox	190	State bonds issued + 5M annually paid debt service		2% increase in TOT +5M annually paid for debt service
Camden Yards Orioles	210	State lease revenue bonds issued. State lottery pays debt service		
Jacobs Field Indians	175		Liquor tax Cigarette tax	RDA funds
PNC Park Pirates	222		Sales Tax	
Miller Park Brewers	309	State Economic Development Fund	0.01% Five county sales tax increase	Loan
Bank One Ballpark Diamondbacks	266		0.25% Sales tax increase	
Coors Field Rockies	170		.1% sales tax increase over six counties	
Safeco Field Mariners	372	Lottery games License plates	17% increase in sales tax 5% Admission tax 2% Car rental tax .5% Restaurant tax	
San Diego Ballpark Padres	325		Port Authority	TOT increase RDA funds
Ballpark at Arlington Rangers	136			.5% Sales tax increase
Enron Field Astros	169			6% Car rental tax 2% TOT increase
Santa Clara Ballpark A's	137			$12.5M Utility loan $55M City RDA $69.5M - City issued taxable revenue bonds
Comerica Bank Tigers	110	State Development Fund Casino revenue	TOT increase	RDA funds
PacBell Park Giants	15			RDA funds

Stadium Ownership

Comiskey Park White Sox	Illinois Sports Facilities Authority
Camden Yards Orioles	Maryland Stadium Authority
Jacobs Field Indians	Cuyahoga County
Miller Park Brewers	Brewers and Southeast Wisconsin Baseball District Board
Bank One Ballpark Diamondbacks	Maricopa County Stadium District
Coors Field Rockies	Denver Metropolitan Baseball Stadium District
Safeco Field Mariners	State of Washington Stadium Authority
San Diego Ballpark Padres	City of San Diego
Ballpark at Arlington Rangers	City of Arlington
Enron Field Astros	Harris County - Houston Sports Authority
Pac Bell Park Giants	Giants

BUILDING VALUATION DATA

At the request of numerous building officials, *Building Standards*™ offers the following building valuation data representing **average costs** for most buildings. Because residential buildings are the most common for many cities, two general classes are considered for these, one for "average" construction and the other for "good." Adjustments should be made for special architectural or structural features and the location of the project. Higher or lower unit costs may often result.

The unit costs are intended to comply with the definition of "valuation" in Section 223 of the 1997 *Uniform Building Code*™ and thus include architectural, structural, electrical, plumbing and mechanical work, except as specifically listed below. The unit costs also include the contractor's profit, which should not be omitted.

The determination of plan check fees for projects reviewed by the International Conference of Building Officials will be based on valuation computed from these figures, which were established in **April 2001.**

Occupancy and Type	Cost per Square Foot, Average
1. APARTMENT HOUSES:	
Type I or II F.R.*	$87.00
(Good) $107.10	
Type V—Masonry (or Type III)	71.00
(Good) $87.00	
Type V—Wood Frame	62.60
(Good) $80.40	
Type I—Basement Garage	36.70
2. AUDITORIUMS:	
Type I or II F.R.	102.80
Type II—1-Hour	74.40
Type II—N	70.40
Type III—1-Hour	78.20
Type III—N	74.20
Type V—1-Hour	74.80
Type V—N	69.80
3. BANKS:	
Type I or II F.R.*	145.20
Type II—1-Hour	107.00
Type II—N	103.50
Type III—1-Hour	118.10
Type III—N	113.80
Type V—1-Hour	107.00
Type V—N	102.50
4. BOWLING ALLEYS:	
Type II—1-Hour	50.00
Type II—N	46.70
Type III—1-Hour	54.40
Type III—N	50.90
Type V—1-Hour	36.70
5. CHURCHES:	
Type I or II F.R.	97.30
Type II—1-Hour	73.00
Type II—N	69.40
Type III—1-Hour	79.40
Type III—N	75.90
Type V—1-Hour	74.20
Type V—N	69.80
6. CONVALESCENT HOSPITALS:	
Type I or II F.R.*	136.50
Type II—1-Hour	94.70
Type III—1-Hour	97.10
Type V—1-Hour	91.50
7. DWELLINGS:	
Type V—Masonry	$74.20
(Good) $95.00	
Type V—Wood Frame	66.00
(Good) $90.60	
Basements—	
Semi-Finished	19.70
(Good) $22.80	
Unfinished	14.30
(Good) $17.40	
8. FIRE STATIONS:	
Type I or II F.R.	112.20
Type II—1-Hour	73.80
Type II—N	69.60
Type III—1-Hour	80.80
Type III—N	77.40
Type V—1-Hour	75.80
Type V—N	71.90
9. HOMES FOR THE ELDERLY:	
Type I or II F.R.	101.70
Type II—1-Hour	82.60
Type II—N	79.00
Type III—1-Hour	86.00
Type III—N	82.50
Type V—1-Hour	83.10
Type V—N	80.20
10. HOSPITALS:	
Type I or II F.R.*	160.00
Type III—1-Hour	132.50
Type V—1-Hour	126.40
11. HOTELS AND MOTELS:	
Type I or II F.R.*	99.00
Type III—1-Hour	85.80
Type III—N	81.80
Type V—1-Hour	74.70
Type V—N	73.20
12. INDUSTRIAL PLANTS:	
Type I or II F.R.	55.80
Type II—1-Hour	38.80
Type II—N	35.70
Type III—1-Hour	42.80
Type III—N	40.30
Tilt-up	29.40
Type V—1-Hour	40.30
Type V—N	36.90
13. JAILS:	
Type I or II F.R.	$156.00
Type III—1-Hour	142.70
Type V—1-Hour	107.00
14. LIBRARIES:	
Type I or II F.R.	114.10
Type II—1-Hour	83.50
Type II—N	79.40
Type III—1-Hour	88.20
Type III—N	83.80
Type V—1-Hour	82.90
Type V—N	79.40
15. MEDICAL OFFICES:	
Type I or II F.R.*	117.20
Type II—1-Hour	90.40
Type II—N	85.90
Type III—1-Hour	95.20
Type III—N	91.30
Type V—1-Hour	88.40
Type V—N	85.30
16. OFFICES:**	
Type I or II F.R.*	104.70
Type II—1-Hour	70.10
Type II—N	66.80
Type III—1-Hour	75.70
Type III—N	72.40
Type V—1-Hour	70.90
Type V—N	66.80
17. PRIVATE GARAGES:	
Wood Frame	23.80
Masonry	26.90
Open Carports	16.30
18. PUBLIC BUILDINGS:	
Type I or II F.R.*	121.00
Type II—1-Hour	98.00
Type II—N	93.70
Type III—1-Hour	101.80
Type III—N	98.20
Type V—1-Hour	93.10
Type V—N	89.80
19. PUBLIC GARAGES:	
Type I or II F.R.*	48.00
Type I or II Open Parking*	36.00
Type II—N	27.50
Type III—1-Hour	36.30
Type III—N	32.30
Type V—1-Hour	33.00
20. RESTAURANTS:	
Type III—1-Hour	$95.50
Type III—N	92.30
Type V—1-Hour	87.50
Type V—N	84.00
21. SCHOOLS:	
Type I or II F.R.	109.00
Type II—1-Hour	74.40
Type III—1-Hour	79.60
Type III—N	76.60
Type V—1-Hour	74.60
Type V—N	71.20
22. SERVICE STATIONS:	
Type II—N	65.90
Type III—1-Hour	68.70
Type V—1-Hour	58.50
Canopies	27.50
23. STORES:	
Type I or II F.R.*	80.80
Type II—1-Hour	49.40
Type II—N	48.30
Type III—1-Hour	60.10
Type III—N	56.40
Type V—1-Hour	50.60
Type V—N	46.80
24. THEATERS:	
Type I or II F.R.	107.70
Type III—1-Hour	78.40
Type III—N	74.70
Type V—1-Hour	73.80
Type V—N	69.80
25. WAREHOUSES*:**	
Type I or II F.R.	48.40
Type II or V—1-Hour	28.70
Type II or V—N	27.00
Type III—1-Hour	32.60
Type III—N	31.00
EQUIPMENT	
AIR CONDITIONING:	
Commercial	4.10
Residential	3.40
SPRINKLER SYSTEMS	2.60

*Add 0.5 percent to total cost for each story over three. **Deduct 20 percent for shell-only buildings. ***Deduct 11 percent for mini-warehouses.

REGIONAL MODIFIERS

The following modifiers are recommended for use in conjunction with the building valuation data. Additionally, certain local conditions may require further modifications. To use these modifiers, merely multiply the listed cost per square foot by the appropriate regional modifier. For example, to adjust the cost of a Type III One-hour hotel building of average construction for the Iowa area, select Regional Modifier 0.80 and unit cost from valuation data, $85.80:

0.80 x 85.80 ≅ $68.64 (adjusted cost per square foot)

Eastern U.S.	Modifier
Connecticut	0.95
Delaware	0.84
District of Columbia	0.87
Florida	0.74
Georgia	0.68
Maine	0.81
Maryland	0.79
Massachusetts	0.94
New Hampshire	0.82
New Jersey	0.91
New York	
New York City	1.16
Other	0.87
North Carolina	0.70

Eastern U.S. (cont.)	Modifier
Pennsylvania	
Philadelphia	0.96
Other	0.83
Rhode Island	0.94
South Carolina	0.70
Vermont	0.80
Virginia	0.73
West Virginia	0.82
Central U.S.	
Alabama	0.72
Arkansas	0.70
Illinois	0.87
Indiana	0.82
Iowa	0.80

Central U.S. (cont.)	Modifier
Kansas	0.74
Kentucky	0.77
Louisiana	0.78
Michigan	0.84
Minnesota	0.86
Mississippi	0.71
Missouri	0.78
Nebraska	0.75
North Dakota	0.80
Ohio	0.80
Oklahoma	0.71
South Dakota	0.78
Tennessee	0.72
Texas	0.74
Wisconsin	0.85

Western U.S.	Modifier
Alaska	1.30
Arizona	0.82
California	
Los Angeles	1.00
San Francisco Bay Area	1.13
Other	0.94
Colorado	0.81
Hawaii	1.14
Idaho	0.80
Montana	0.79
Nevada	0.89
New Mexico	0.76
Oregon	0.83
Utah	0.75
Washington	0.88
Wyoming	0.80

BUILDING VALUATION DATA
www.icbo.org

Redevelopment Agency of the City of Santa Clara
Bayshore North Project Area

Funding for Identified Projects $46,750,000

Fiscal Year Ending	Tax Increment Revenue	Net Debt Service Payments* 1987 Tabs Senior Lien	1992 Tabs Senior Lien	New Project Debt	Total Senior Lien Debt	(1.25x) Senior Coverage	Sub. Debt	Total Agency Debt	Total Coverage	20% Housing Set Aside	County Admin Charges	City Admin Expenses	Residual
2000	16,626,000	2,305,423	5,057,746	2,402,024	9,765,192	1.73	361,927	10,127,119	1.66	3,325,200	189,000	944,470	2,040,211
2001	16,958,520	2,314,673	5,053,786	2,402,024	9,770,482	1.73	362,143	10,132,625	1.66	3,391,704	197,000	963,359	2,273,832
2002	17,297,690	1,361,923	5,118,086	3,252,024	9,732,033	1.73	361,937	10,093,970	1.67	3,459,538	204,000	982,626	2,557,556
2003	17,643,644		7,360,546	2,368,874	9,729,420	1.73	362,253	10,091,673	1.67	3,528,729	212,000	1,002,279	2,808,963
2004	17,996,517		7,366,306	2,368,874	9,735,180	1.73	361,854	10,097,034	1.67	3,599,303	220,000	1,022,325	3,057,855
2005	18,356,447		7,365,326	2,368,874	9,734,200	1.73	362,445	10,096,645	1.67	3,671,289	223,000	1,042,771	3,322,742
2006	18,723,576		7,363,295	2,368,874	9,732,169	1.73	361,831	10,094,000	1.67	3,744,715	227,000	1,063,626	3,594,235
2007	19,098,048		7,364,195	2,368,874	9,733,069	1.73	361,981	10,095,050	1.67	3,819,610	257,824	1,203,177	3,722,388
2008	19,480,009		7,367,345	2,368,874	9,736,219	1.73	362,307	10,098,526	1.67	3,896,002	262,980	1,227,241	3,995,261
2009	19,869,609		7,365,995	2,368,874	9,734,869	1.73	361,752	10,096,621	1.67	3,973,922	268,240	1,251,785	4,279,042
2010	20,267,001		7,358,745	2,368,874	9,727,619	1.73	362,021	10,089,640	1.67	4,053,400	273,605	1,276,821	4,573,536
2011	20,672,341		5,884,195	3,818,874	9,703,069	1.74	361,850	10,064,919	1.68	4,134,468	279,077	1,302,357	4,891,520
2012	21,085,788		5,885,833	3,799,999	9,685,831	1.74	362,188	10,048,019	1.68	4,217,158	284,658	1,328,405	5,207,549
2013	21,507,504		4,103,052	5,527,249	9,630,301	1.75	361,872	9,992,173	1.69	4,301,501	290,351	1,354,973	5,568,506
2014	21,937,654		0	5,280,549	5,280,549	3.19	724,882	6,005,431	2.81	4,387,531	296,158	1,382,072	9,866,462
2015	22,376,407			5,281,406	5,281,406	3.19		5,281,406	3.19	4,475,281	302,081	1,409,714	10,907,924
2016	22,823,935			5,282,656	5,282,656	3.19		5,282,656	3.19	4,564,787	308,123	1,437,908	11,230,461
2017	23,280,414			5,281,861	5,281,861	3.19		5,281,861	3.19	4,656,083	314,286	1,466,666	11,561,518
2018	23,746,022			5,281,886	5,281,886	3.19		5,281,886	3.19	4,749,204	320,571	1,495,999	11,898,361
2019	24,220,943			5,282,221	5,282,221	3.19		5,282,221	3.19	4,844,189	326,983	1,525,919	12,241,631
2020	24,705,361			5,282,356	5,282,356	3.19		5,282,356	3.19	4,941,072	333,522	1,556,438	12,591,973
2021	25,199,469			5,281,781	5,281,781	3.19		5,281,781	3.19	5,039,894	340,193	1,587,567	12,950,034
2022	25,703,458			5,284,986	5,284,986	3.19		5,284,986	3.19	5,140,692	346,997	1,619,318	13,311,466
2023	26,217,527			5,281,206	5,281,206	3.19		5,281,206	3.19	5,243,505	353,937	1,651,704	13,687,175
2024	26,741,878			140,468	140,468	120.02		140,468	120.02	5,348,376	361,015	1,684,738	19,207,280

** Adjusted for interest earnings on the reserve fund and the return of the reserve fund at maturity.*

EXHIBIT L

INTEROFFICE MEMORANDUM
Santa Clara City Attorney's Office

DATE: July 19, 2001

TO: Ronald E. Garratt, Assistant City Manager

FROM: Roland D. Pfeifer, Assistant City Attorney

RE: Proposal for $12.5 million loan from the City's utility enterprise funds to fund a loan for construction of a major league baseball stadium in the City of Santa Clara

BACKGROUND

An association made up of a group of area residents, called the Santa Clara Stadium Association (the "Association") has proposed a plan for financing the construction of a baseball stadium to be located near Great America Parkway and Tasman in the City of Santa Clara which could be used as a home for the current Oakland A's baseball franchise. One element of the financing package proposed by the Association includes a $12.5 million loan from the City's utility enterprise funds ($10 million for the Electric Utility and $2.5 million from the Water/Sewer Utility). The loan proceeds would be used for unspecified expenses related to the construction of a stadium and would be repaid to the City through future special utility rate designed to recover the cost of stadium lighting, construction and pay back of the loan over a thirty (30) year period.

QUESTION

Can the City legally loan $12.5 million from the City's utility enterprise funds to assist the Association to finance a portion of the construction costs for a major league baseball stadium?

SHORT ANSWER

No. Any loan made from the cash in the utility enterprise funds used toward the construction of a major league baseball stadium would violate Section 1320 of the City of Santa Clara's Charter §1320, (entitled, "Utilities Fund"). This provision restricts the use of utility funds to particular uses, which are specifically outlined in subsections (a)-(f) of Charter §1320.

ANALYSIS

The City charter specifically precludes the use of "Utility Funds" for purposes other than those set forth in the charter. Section 1320 of the Charter reads as follows:

> **"Sec. 1320. Utilities fund.**
>
> Receipts from the utilities operated by the City shall be paid into the City Treasury and maintained in a separate utilities fund for such

utilities. Expenditures from such fund shall be made for the following purposes *only* for such utilities in the order named, viz:

(a) For the payment of operating expenses, pension charges and proportionate payments to such compensation and other insurance and accident reserve funds as the City or the City Council may establish;

(b) For repairs and maintenance;

(c) For the payment of interest and sinking funds on bonds issued for acquisition, construction or extensions;

(d) For the payment of not to exceed five percent of the gross receipts from such utilities to the general fund of the City in payment for services rendered; subject, however, to such limitations as may be contained in any resolution or indenture heretofore adopted providing for the issuance of revenue bonds for the acquisition, construction or improvement of such utilities, which bonds are now outstanding or may hereafter be issued under such existing resolution or indenture;

(e) For extensions and improvements;

(f) For the establishment of a sinking fund within the utilities fund for the replacement of utilities property in the minimum amount of two million five hundred thousand dollars ($2,500,000).

The City Council shall cause records to be kept of the receipts and expenditures of each utility and of credits and debits of each utility in the aforementioned utilities fund. The City Council may, however, order expenditures from the utilities fund for any utility even though that utility has no credit in the utilities fund, provided only that the balance in the utilities fund is greater than the proposed expenditure. (As Amended, 1967 Statutes, Senate Concurrent Resolution 35; Chapter 61; Amendment ratified 11-4-80)" (Emphasis added.)

An "enterprise fund" is defined as a fund which accounts for services furnished to the general public

and which is financed primarily by charges for such services. Activities which may be accounted for in enterprise funds are limited to those designated in the Charter.

It is the opinion of this office that the City cannot make a loan from the utility enterprise funds to finance the construction of a stadium. The use of the utility enterprise funds in such a manner would be outside the scope of the public utility's ordinary activities and would therefore be an inappropriate use of such funds. By placing the word "only" in §1320 of the Charter, the drafters intended to limit the uses of Utilities Funds solely to those applications which are enumerated in the Charter. Had drafters intended to allow the City to use such enterprise funds for non-utility uses, the Charter provisions would not have been so exclusive.

In addition, maintenance of an enterprise fund implies a higher degree fiduciary responsibility on the part of the City to maintain and restrict the use of such funds. Enterprise funds create a fiduciary obligation in the City to assure the utility customers that the funds which are received from the sale of services and commodities by the utilities are used solely to meet the monetary obligations incurred by the utilities for salaries, repair and maintenance expenses, improvement costs or to retire the utility's debt service which was incurred to finance acquisition, construction and/or extension of the utility systems.

CONCLUSION

The City Charter restricts the use of Enterprise Funds/Utility Funds. A loan of such funds to be used for the construction of non-utility related expenditures would violate Section 1320 of the City Charter.

Roland D. Pfeifer

ROLAND D. PFEIFER
Assistant City Attorney

Read and Concur:

Michael R. Downey

MICHAEL R. DOWNEY
City Attorney

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RDA - COMPETITIVE BIDDING REQUIRED

[If the construction contract is for more than $5,000]

I:\DATA\WP\RDA\COMPETIT.BID
July 15, 2001 7:48PM

PUBLIC CONTRACT CODE

Current through end of 1999-2000 Reg.Sess.
and 1st Ex.Sess. and Nov. 7, 2000, election.

DIVISION 2. GENERAL PROVISIONS 1000
PART 3. CONTRACTING BY LOCAL AGENCIES 20100
CHAPTER 1. LOCAL AGENCY PUBLIC CONSTRUCTION ACT 20100
ARTICLE 43.1. REDEVELOPMENT AGENCIES 20688.1

§ 20688.2. Work to be done by contract after bidding; exception; priority

Any **work of grading, clearing, demolition, or construction undertaken by the agency shall be done by contract after competitive bids** if the cost of such work exceeds the amount specified in **Section 37902 of the Government Code [FN1]**, as that section presently exists or may be hereafter amended. With respect to work of grading, clearing, demolition, or construction which is not in excess of such amount, the agency may contract the work without competitive bids, and in contracting such work may give priority to the residents of such redevelopment project areas and to persons displaced from such areas as a result of redevelopment activities.

§ 20162. Bids; expenditure requiring; notice

When the expenditure required for a public project exceeds five thousand dollars ($5,000), it shall be contracted for and let to the lowest responsible bidder after notice

Comment: Public Contract Code §20688.2 is the successor section to the former RDA provisions in Health and Safety Code §33422 - which was repealed in 1984.

{**FN1**] Government Code §37902 has been relocated as section 20162 to the Public Contract Code.

CONSEQUENTLY, THE TWO PUBLIC CONTRACT CODE SECTIONS REQUIRE THAT RDA CONSTRUCTION CONTRACTS IN EXCESS OF $5,000 MUST BE COMPETITIVELY BID.

5.C1)

EXHIBIT O

GREAT AMERICA

P.O. Box 1776, Santa Clara, CA 95052
2401 Agnew Road, Santa Clara, CA 95054
(408) 988-1776

May 14, 1998

Jennifer Sparacino
City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Jennifer:

It was a pleasure meeting with you last week regarding the stadium proposal. The proposed site that Gary Hanson shared with me, holds several concerns for Paramount's Great America. As you are aware, the parking situation has the most impact. Ease of entry for our park guests continues to be of importance for our guest service efforts.

Please keep me advised of any developments.

Sincerely,

Gayle Ando

Gayle Ando
Executive VP & General Manager

:jw

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Citizens Budget Commission-New York City
City of San Diego.com
Contra Costa Taxpayers Association
Crains Chicago Business
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Dallas.CitySearch.Com
Field of Schemes
Financial World
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KPMG Peat Marwick Sports Industry Newsletter
Memphis Business Journal
Minnesota House Fiscal Analysis Department – Money Matters
MSN Slate
National Conference of State Legislatures
National Sports Law Institute Newsletter
On Milwaukee.Com Website
Padres.MLB.Com
Pioneer Press
Policy Review Newsletter, The Heritage Foundation
Public Policy.com
Regulation (Vol. 23, No. 2) Economic Development Policy
San Diego County Grand Jury Fiscal Report (1997-1998)
San Francisco Business Times
San Jose Mercury News
Sandiegometro.com
Seattle Post-Intelligence
Seattle Times
South Western College.com
Sports and Economics Literature Review
Sports Illustrated.cnn.com
Sportslawnews.com
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State of Wisconsin Legislature Reference Bureau
The Boston Globe
The Brookings Review
The Cyber-Journal of Sports Marketing
The Detroit News
The Fresno Daily Republican
The Heartland Institute Policy Study
The Miami Herald
The Milwaukee Business Journal
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